



Daily Report

East Europe

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Albania: Justice Ministry Denies Nano Held Incommunicado

AU1607070896 Tirana ATA in English
1107 GMT 15 Jul 96

[FBIS Transcribed Text] Tirana, July 15 (ATA)—Fatos Nano, leader of the Socialist party (SP), is not prevented to communicate with others under the prison regulation, a spokesman of the Ministry of Justice said. Nano enjoys all the rights of communication like every other prisoner, the press release said adding the usual communication has been interrupted only three days for technical reasons.

The spokesman said that from July 15 the communication with the prisoners of the Benca prison will function normally. The left-wing newspapers have reported recently that Nano will not communicate with anyone for 45 days.

Nano has sent a motion to his party from the prison which was turned down by the party board. He has always communicated with media during all the time in prison.

"The increase of guards and armaments in the Benca prison, according to the left-wing press, is a military fantasy of the authors of these articles," the press release of the Justice Ministry said.

Nano, is in jail for corruption and falsification of documents in connection with the Italian aid to Albania at a time when he was prime minister in 1991.

Albania: Journalists Urge Reconciliation of KOHA JONE Owners

AU1707104496

[FBIS Report] Tirana ZERI I POPULLIT in Albanian on 16 July carries on page five a 400-word editorial entitled "KOHA JONE Must Appear," that deplores the nonpublication of the newspaper because of a "rift" between its coowners Aleksander Frangaj and Nikolle Lesi. The paper also carries a 300-word statement entitled "Appeal to Responsibility," signed by Prec Zogaj, chairman of the Association of Professional Journalists, which appeals for a settlement of the directors' differences. The editorial states:

"KOHA JONE, the largest independent Albanian newspaper, did not reach the hands of its many readers last Sunday [14 July]. This is something that we cannot overlook because in this nonpublication of KOHA JONE we perceive a new attempt by the state to stop at all costs the mouths of those who think and write differently.

"During the last few years, different newspapers have often suspended publication, and some of them have even ceased to appear, despite the interest with which readers have welcomed them. The laws of the market economy are harsh, and so is competition.

"The nonpublication of KOHA JONE, as its former editor in chief has made clear in a statement, has other motives behind it and is a result of a misunderstanding between its two owners, Messrs. N. Lesi and A. Frangaj, that has become a rift.

"Every reader and journalist who respects the free press and its most outstanding figures during this transition period, which necessarily include Lesi and Frangaj, will feel sorry at this 'divorce' between the two now-estranged colleagues who have stamped the newspaper with their identity.

"Radio and television have given this news undeserved publicity. Of course, information is necessary at times like this. However, experience has shown that when the radio-television hastens to broadcast bad news, this is because someone in power is rubbing his hands in pleasure that KOHA JONE is in straits, or worse, that the long-laid 'time bomb' has had its effect.

"This is one more reason to say firmly that KOHA JONE must not be closed down. Financial difficulties or disagreements among colleagues must not go the point of closing down the country's largest independent newspaper.

"What is the state's role on this occasion? If it calls itself democratic, it must intervene in the case of KOHA JONE and help it to overcome its financial difficulties with the help of credit. What sense is there in the state helping all kinds of people to the tune of millions of leks, while not helping a newspaper like KOHA JONE, which is the real face of the free press in Albania today?

"This is also an opportunity to say that whoever is preventing the appearance of this newspaper is carrying out a serious assault against the free press and trampling on the vital interests of a number of his journalist colleagues.

"Our professional conscience does not allow us to look indifferently on the problems and difficulties our colleagues are at present experiencing."

The statement by the Association of Professional Journalists runs:

"The Association of Professional Journalists is following with deep concern recent events among the personnel of the newspaper KOHA JONE, whose large staff constitute the majority of the association's members.

"The association has been informed of conflicts between the coowners Nikolle Lesi and Aleksander Frangaj over issues that primarily concern the paper's financial management. KOHA JONE turns out to have amassed the large debt of \$200,000 to the Democracy Printing Works, which has embittered relations between Lesi and Frangaj, provoking the latter to break off relations. The debt also highlights other background problems in relations between the journalists.

"The Association of Professional Journalists, alongside a large section of the Albanian public, believes that KOHA JONE, before being the ordinary property of two people, has been and remains one of the pillars of the cause of the free press in Albania. KOHA JONE has bravely and determinedly promoted this cause, this supreme democratic value, and has suffered for it. The entire staff of the newspaper and its wide network of correspondents, including of course Directors Lesi and Frangaj, deserve undisputed credit for this.

"At this delicate moment for the freedom of the press and democracy in general, the association issues a strong appeal to Nikolle Lesi and Aleksander Frangaj, the directors of KOHA JONE, asking them to show more responsibility to thousands of readers, their journalists, and their employees. The association thinks that it is possible for them to overcome the problems that have arisen and that do not justify the sacrifice of the newspaper. The association appeals for tolerance and dialogue, a civil recognition of responsibility, and a modern restructuring of the newspaper, with the aim of preserving and developing this bastion of free opinion."

Albania: Assembly Elects Parliamentary Commissions

AU1707125896

[FBIS Summary] Tirana RILINDJA DEMOKRATIKE in Albanian on 17 July carries on page two a 1,000-word report by Aida Sakja on the session of the People's Assembly on 16 July, entitled: "The People's Assembly Elects Its Commissions."

The report states that "The People's Assembly will have 15 permanent commissions, not nine as in the previous legislature. This change in the structure of the People's Assembly, which was approved at yesterday's parliamentary session, has been made in order to adapt better to the structure of the new government that was announced last week.

"The changes to the structures of the commissions were announced in the first stages of the People's Assembly proceedings, when the urgent need for some changes and additions to the existing rule book were discussed,

including the need to draft a fuller parliamentary rule book."

The report names the parliamentary commissions and the proposed chairmen of some of them, as follows:

Commission for Constitutional and Legal Issues and Local Government;

Commission for Foreign Policy and International Relations—chairman, Alfred Serreqi;

Commission for the Economy, the Budget, Finance, and Privatization—chairman, Bashkim Kopliku;

Commission for Agriculture and Food;

Commission for Industry, Transportation, Telecommunications, Trade, Mining Resources, and Energy;

Commission for Education, Science, and Sports—chairman, Maksim Konomi;

Commission for the Public Media;

Commission for Human Rights and Minorities;

Commission for Culture, Youth, and Women—chairman, Uran Butka;

Commission for Health and Environmental Protection;

Commission for Labor, Emigration, and Social Problems;

Commission for Public Works, Land Use, and Tourism—chairman, Dashamir Shehi;

Commission for Defense—chairman, Agron Musaraj;

Commission for Public Order and the National Intelligence Service—chairman, Azem Hajdari; and

Commission for Parliamentary Mandates, Immunity, and Procedure.

The proposed chairmen are expected to be confirmed in their posts at meetings of the commissions on 17 July.

The report continues: "The People's Assembly also approved yesterday the composition of the permanent delegations to various international organizations including the parliamentary assemblies of the Council of Europe and the OSCE. Ali Spahia, chairman of the Democratic Party parliamentary group, will head the Albanian delegation to the Council of Europe consisting of Democratic Party deputies Genc Pollo and Bashkim Kopliku, and one Socialist deputy, while Parliamentary Chairman Pjeter Arburi will head the OSCE delegation."

Albania: Government Lifts Price Controls on Bread, Paraffin

AU1607205296 Tirana ALBANIA in Albanian
16 Jul 96 p 2

[Unattributed article: "Unpopular Measure of the Meksi Government"]

[FBIS Translated Excerpt] The Albanian Government decided yesterday, on the first day of its work, to free

the prices of bread, flour, paraffin, and liquid fuel gas. [passage omitted]

The prime minister's spokesman said that the decision has been made for a series of reasons. "Declining grain production in Albania and the world at large in recent years," the government explains, "has lead to an increase in the price of wheat from \$130 per tonne to \$250. This led the government, with the aim of encouraging domestic grain production, to decide to procure wheat from private producers at 20 leks per kilogram, and to sell it to the flour mills for 15.70 leks per kilogram.

"The marked difference between the purchase and the sale prices led to an unfavorable situation for domestic wheat producers and importers. Various speculators from the resale of wheat at very high prices, also obliging bakers to sell loaves of short weight. Under these circumstances," the spokesman's explanation continues, "the government decided to find a definitive solution to the situation, and, to avoid speculation and abuse at the consumer's expense, decided:

"1. There will be changes to the controlled prices of bread, paraffin, and liquid gas fuel. The prices of all these items at state and private shops will be determined on the basis of supply and demand on the free retail market.

"2. Compensation will be provided for changes to the price of bread, paraffin, and liquid fuel gas. All those social groups tied to the state and supported by state welfare will benefit; that is, the employees of state-financed institutions, discharged servicemen, persons covered by the Agency for the Restructuring of Enterprises, pensioners, persons in receipt of unemployment pay, families in receipt of welfare regardless of where they live, and the disabled. The decision determines the amount of compensation for employees in the private sector, retail companies, and the financial system, which will be

paid by the employers concerned. The decision makes it possible to transfer the subsidy to the immediate benefit of the consumer and not of speculators. The Albanian Government also laid down in yesterday's decision the following compensation measures:

—The amount of compensation for employees of state-financed institutions, discharged servicemen, and persons covered by the Agency for the Restructuring of Enterprises is 250 leks.

—The amount for persons in receipt of unemployment pay will be 250 leks.

—Senior state employees on fixed salaries and the self-employed in towns and the countryside, whose incomes are above the level of state welfare, do not receive compensation.

—The decree comes into effect on 16 July.

"Imported wheat and flour will continue to be exempt from customs duty, and wheat and flour will still be exempt from Value-Added Tax. Bread producers will still be subsidized for their energy consumption, water, fuel, etc.

"The Albanian Government believes that these measures will improve the security of wheat and flour supplies from home production and from imports. The government also promises to guarantee wheat and flour supplies from state institutions.

The government promises that yesterday's decision will in no way lead to market shortages of wheat and flour.

It appears that there is little chance of the mass of consumers welcoming yesterday's government decision, and it will in all probability be opposed, despite the other decisions to provide compensation for the expected rise in the price of bread and other items.

Bulgaria: National Security Commission Discusses Bombing

AU1707153496 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 17 Jul 96

[Report by Silviya Velikova]

[FBIS Translated Text] Today, the Parliamentary National Security Commission held a two-hour meeting to discuss the midnight bomb explosion incident in the National Palace of Culture. The National Assembly deputies heard a report from General Georgi Lambov, chief secretary of the Interior Ministry, who informed them of all the facts about the terrorist act that were not being kept secret by the investigators. In view of the scanty nature of the information, the commission decided to form an expert group of its own members in which all parliamentary groups are represented to summarize the proposals and gather more facts regarding the incident. After this, the commission will draft a statement on the incident.

The National Security Commission will hold a special session in parliament tomorrow to adopt this statement, after which it will be put to the vote at a plenary session of parliament.

Bulgaria: Zhelev's Address to Nation Criticized

AU1707133496 Sofia DUMA in Bulgarian 17 Jul 96 p 7

[Commentary by Plamen Enchev: "Stupid Tricks of the Head of State"]

[FBIS Translated Text] Last night, President Zhelyu Zhelev shamelessly hoodwinked the Bulgarian people and violated the Constitution yet again. The head of state exploited the row over the two parallel issues of DURZHAVEN VESTNIK for his own purposes, namely, to launch a further attack on the BSP [Bulgarian Socialist Party] and the parliamentary majority. He also threatened to shed doubt on the constitutionality of the Bulgarian Socialist Party. This was a stupidly devised trick, because the Constitution's clauses on the issue of presidential decrees are clear and precise. As for the acts signed by the president that were published in some copies of yesterday's DURZHAVEN VESTNIK, they were not countersigned by the minister of justice, as the law requires. Another question is who gave permission for their promulgation and then stopped and replaced the illegal texts. One also wonders whether the unsuspecting technical workers of DURZHAVEN VESTNIK will not get it in the neck the next morning.

Since we have two holy synods and two chief mufti's offices, it is quite logical for two state gazettes to appear. We may wake up one day to find ourselves

being offered an extensive interview given by the same head of state to some foreign agency, but this time in the form of a presidential decree or perhaps a decree revoking the Constitution, or even a decree on a state of emergency. This means there is something wrong with the entire official information system and the legitimizing of acts of state by publishing them in DURZHAVEN VESTNIK. For example, one wonders who checks on what is published, whose telephone instructions take priority in the editorial office, and so forth.

In the case of the ill-fated 16 July issue of DURZHAVEN VESTNIK, which was withdrawn and then reissued with changes, there is clearly a purely criminal aspect to this. However, the precedent cannot fail to raise many other questions. At the very least, it is symptomatic in relation to the forthcoming fight for the presidency in Bulgaria.

Bulgaria: Talks on 'Arms for Grain' Deal With Croatia

AU1707153096 Sofia DUMA in Bulgarian 16 Jul 96 pp 1-2

[DUMA PRESS report: "Cabinet Decides To Import 450,000 Metric Tons of Bread Wheat"]

[FBIS Translated Excerpt] At a news briefing in Montana, Ivan Yosifov, deputy of the Democratic Left Parliamentary Group, announced that negotiations are in progress with Croatia on an arms for grain barter deal. According to Yosifov, this is a logical decision, since our arms plants have large stocks of finished products, while we have no grain. Yosifov added that, as an associate member of the EU, Bulgaria is entitled to ask for and obtain grain from there, because the EU is satisfied that we have a shortage of domestic grain.

Agriculture Minister Krustyu Trendafilov announced yesterday that, in any event, we will have to import between 400,000 and 450,000 metric tons of bread wheat. [passage omitted]

The Dunav Mill in Vidin has increased the price of flour from 12,000 to 25,000 leva per metric ton. The new prices come into force on Monday. According to the millers, the price of bread in the town is artificially inflated, because the private bakers are using flour costing 12 leva per kilogram, but selling a 600 gram loaf for 22 leva. [passage omitted]

Bulgaria: SDS Daily Reports on Animal-Feed Shortage

AU1707154296 Sofia DEMOKRATSIYA in Bulgarian
17 Jul 96 p 3

[Article by Ivo Zheynev: "Neftokhim Secretly Imports Animal Feed From Hungary"]

[FBIS Translated Text] Ruse—The Neftokhim Refinery of Burgas imported hundreds of thousands of kilograms of animal feed from Hungary during May and June. After Zhan Videnov's cabinet acquired a taste for playing games with Serbian wheat, now Neftokhim has the important government task of saving our animals, according to the railroad bills of lading.

To smooth over the grain crisis, in the period from 5 May to 24 June, the refinery obtained 702,050 kg of corn, pig and poultry feed, and fodder mixes.

On 19 May, the government added Zhitomel in Vratsa to the Hungarian connection. In the period until 3 June, several freight trains left for Vratsa, loaded with 1,183,730 kg of the same animal feeds. As the animal-feed crisis developed, other parts of the country also started receiving imported animal feed. On 10 May, 84,590 kg of pig feed was sent to Despred in Yambol, and a further 194,400 kg was sent to Zhitomel in Yambol in two freight trains.

According to experts from the Economic Police, the animal-feed crisis is deepening not by the day, but

by the hour. A special order was issued prohibiting the shipment of grain along the Danube. The official explanation was that the high temperatures caused condensation in the holds, leading to the growth of mold. The truth is that much wastage is occurring during loading in foreign ports. According to the chief of the local Despred office, a difference of 1 centimeter in the depth of water drawn by a barge is equivalent to 7 metric tons of animal feed. Stefan Ignatov, chief of the Sofkontrol Bureau, representatives of Neftokhim, and officials who observed the loading and unloading of grain barges said that when the Serbian wheat was shipped, the amount of grain was calculated from the depth of water that the barges drew, that is, it was estimated by eye. The transport police have also established that this primitive method was used.

Reports by the Ruse Oblast Administration on the fall in the numbers of animals reveal the hidden truth about the extent of the animal-feed shortage. Due to lack of feed, numbers of poultry have fallen by 50 percent, while other farm animals have declined in numbers by up to 54 percent. The oblast administration receives reports on available feed stocks from the Agriculture Ministry only on a day-to-day basis, so that the agronomists are working in the dark, agricultural officials explained.

Czech Republic: Klaus: Government To Get Vote of Confidence

LD1707194596 Prague Radiozurnal Radio Network in Czech 1000 GMT 17 Jul 96

[FBIS Translated Text] Prime Minister Vaclav Klaus believes that at next week's session of parliament his government will get a vote of confidence. In his regular interview on Czech radio today he said the following on the subject:

[Begin Klaus recording] I don't think that the government will not get a vote of confidence. But I do not wish to sound overconfident because I do not want to irritate and mobilize the 101 deputies outside the government coalition. I do not need macho statements and, besides, I genuinely believe that the government will get a vote of confidence. I think that this time, at long last, we will see something I consider very important; namely, that the government starts working and functioning in a normal way. The interim stage, which has now been going on for two or three months, is a bad thing and should not be extended any longer. [end recording]

The prime minister does not think that the coalition proposal for the restitution of church property should be dealt with by parliament. He said:

[Begin Klaus recording] I think that from the technical point of view this can be done by an executive decision, because neither nationalization nor denationalization is involved. What is involved is a rather problematic case—namely, property which has never been legally transferred to anyone else—and therefore I would think in a case like this an executive decision should do. Of course, the debate concerning this issue has not been concluded.

The other side of the deal, or, if you like, the price we have to pay, is the fact that all financial flows between state and church will come to an end—a price we are willing to pay. [end recording]

Czech Republic: Widespread Software Piracy Denounced

96CH0134A Prague LIDOVE NOVINY in Czech 24 Jun 96 p 11

[Article by Petr Vavrin, rector at Czech Technical University in Brno: "Illegal Computer Programs Are Customary"]

[FBIS Translated Text] Recently (24 May), LIDOVE NOVINY published an article written by Mr. Jan Lacina on the illegal use of computer programs in the Czech Republic. Just as a memory refresher, 80 percent of all software in this country is illegal. This fact has been known in specialized circles for some time now because,

over the past two years, the necessary investigations were done that resulted in last year's publication of a listing of countries engaged in more extensive software piracy. In this listing, the countries of the former Czechoslovakia occupy a dishonorable fourth place after China, Russia, and Poland. The absolute credibility of this sequence could be the subject of debate; however, in any event, this is a serious problem. It is serious particularly because, to a large extent, this involves the immoral legacy of the past, a legacy that is deeply rooted and the rectification of which will undoubtedly require a longer period of time.

Particularly over the last 20 of its years, the communist regime acted with relative generosity with regard to computer equipment. The provision of information to society was even one of the selected campaigns (within the series of automation, robotization, and computerization), which the governing state party announced in its desperate effort to somehow improve the catastrophic economy and, at the same time, effect no substantial changes. So, computer systems were acquired and installed, and user training was initiated. Perhaps many will recall that the advent of microprocessors resulted in training in the use of personal computers in many locations, even down to the kindergarten level.

The machines themselves (hardware) had to be purchased; silence was frequently maintained with regard to programs because it was quietly anticipated that they would somehow be acquired. This was, incidentally, in accordance with the distorted notions of communist ideologists who tolerated debates on intellectual ownership only with difficulty, because this was and is a form of ownership that is, above all, private—individual.

And so, the slogan that says "He who does not steal is robbing his own children," which was handed down for years, virtually found official consecration, so to speak, here. This highly comfortable approach was understandably transferred even to new conditions in which highly efficient personal computers in private ownership facilitated the mass use of complicated (and also expensive) programming systems in everyday life for thousands of families. It is precisely the quantity of privately used computers with illegal programs that puts us into that unflattering place in the table.

At the present time—particularly because of the rise in the number of small program producers in this country who are beginning to personally experience the other side of the matter—the reduction in profits—the entire matter is beginning to be viewed as a social problem. This is also surely true in conjunction with the planned "entry into Europe," where thievery is also going on, but to a much lesser extent and in the knowledge that this

should not be done and that a punishment could be the result. Repressive measures are undoubtedly necessary, but, as is the case in other areas, they will also not solve a whole lot in and of themselves. For success, that general awareness of wrongdoing is essential—much like that in the case of pilfering from self-service markets, where things are (perhaps) more clearly apparent to us.

Computer equipment at advanced schools is today a completely inseparable component of pedagogic as well as scientific work. All over the world, academic institutions and schools are generally regarded with more indulgence than is the commercial sphere when it comes to the utilization of programs. This is not purely for humanitarian reasons. Manufacturers are aware of the fact that a future graduate will demand in his employment primarily what he is accustomed to from his schooling. That is why virtually all firms grant very express discounts to schools with respect to the educational use of programs. But they strictly demand that this use be limited to nonprofit purposes.

We must admit that, under the current situation, in which an employee of a school is not obligated to report his private activities (even if they pertain to the specialty of his employment) and where his supervisor in fact does not have the right to ask him the appropriate questions, even this minimum requirement is difficult to realize, particularly in the case of advanced schools of a technical character. In this case, legislative change is absolutely essential.

The relatively tolerant approach by large firms (Microsoft, Borland, and others) resulted in a status at a number of schools where not even those minimum

prices are paid and even basic systems programs (for example, Windows) are operated on an illegal basis. When it comes to the number of installed units, they represent sums that are not negligible. In comparison with our foreign partners, the financial conditions of our schools continue to be extremely poor, but that cannot be taken as an acceptable excuse here. I personally consider the influence of this environment on students to be far more harmful and dangerous.

How are they to believe all of our moralistic teachings when we demonstrate something altogether different to them through this example? These losses are certainly exceeded by several orders of magnitude by the current losses of profits suffered by software firms because they are projected into the future and extend the previously mentioned awareness of the possibility of stealing without shame (and, of course, without legal prosecution as well).

The leadership of the Czech Technical University in Brno is aware of its responsibility for the education of the new technical generation, even in this area. That is why, at the end of last year, we undertook a comprehensive inventory of the software utilized and are gradually legalizing all sets with the goal of acquiring a so-called declaration of purity. Currently, we are including a course on legal aspects and protection of intellectual ownership in our instruction courses for future engineers. We hope that, in this manner, we may succeed in shortening the interval involved in the transition or transformation in thinking from the Svejek [good soldier] style of "it is not allowed, but one can," to a clear statement that "in a decent society, this is not done."

Slovakia: Prime Minister Interviewed on EU, NATO Admission

LD1707234996 Bratislava STV 1 Television Network in Slovak 1900 GMT 17 Jul 96

[Interview with Slovak Prime Minister Vladimir Meciar by Paul Lendvai, director of Radio Austria International, and Edward J. Baumeister, coordinator of the U.S. International Journalism Foundation, at the STV studio in Bratislava on the "What Next, Prime Minister" program—live]

[FBIS Translated Excerpt] [Lendvai in German fading into Slovak translation] Do you still want the president to resign?

[Meciar] Of course, the sooner he leaves, the more it will help solve these matters. The government has already fallen, parliament has already fallen. His methods overstep the limits of the law.

That is why I think—and [words indistinct] neither abroad nor anywhere else—that his resignation would be appropriate. On the other hand, we are in a situation in which he is there and behaves toward the government the way he does, but that does not constitute the substance of our work. The substance is somewhere else. We perceive him as a permanent phenomenon which is here, as not a very positive phenomenon that causes a great deal of damage—and people do not even know about all of his actions—but we accept it as something permanent.

The question is whether to put pressure on parliament to deal with him within a short space of time or whether to let him complete [his term of office] until the elections in March 1998. But in that case we cannot expect to be admitted either to the EU or to NATO, since his other actions against the government's policies and against the members of the government—some of which border on crime—will put a break [on the process of admission].

The dilemma is here and we must admit that we are dealing with it and looking for solutions. However, we have not reached an agreement on the matter so far. [passage omitted]

[Lendvai] Let us return to the EU, let us return to NATO. You have been visited by Mrs. Clinton and Mrs. Albright, her official title being U.S. representative to the United Nations. That post is in fact equivalent to being a minister of the United States, and she apparently expressed some criticism in her talks with you. Then there was that demarche from the EU. My question is this: do you think that this deficit in relation to the EU, in relation to NATO, do you think that you can improve this deficit connected with the image of Slovakia? Or do you say that you are not interested in what the

Americans say, that you are not interested in what the EU says, and if they do not want you that you will go your own way?

[Meciar] The conversation with Mrs. Clinton was very pleasant. It was beneficial to both sides. [passage omitted] As far as the question of assessing Slovakia's chances is concerned, one has to say the following. All countries are telling us to stabilize relations between constitutional bodies, change the culture of the opposition and the government coalition, and to calm the internal situation down. They have been telling us that for more than two years and they keep reiterating this position. At the same time we are getting into a situation which we ask how we can do this. Should we lower level of confrontation? The government stopped attacking in the autumn and itself became the target of attack. We backed off and it did not help. We say to the opposition and the coalition: Let us agree on some steps that would moderate our position abroad. But the opposition has built up certain points of influence abroad, for example the Christian Democrats in the People's Party in Austria and some circles in the Christian Democratic Union in the Federal Republic of Germany, and the left-wing parties in the Socialist International. We say [word indistinct] these institutions and let us not take our domestic political battles to them. That is not decent. It does not work just like that.

So we are finding ourselves in a situation in which we have to heed these points of view. We are trying to find a way of doing so. Should we simply change the government? Should we let the current opposition back into government? We offered them that in 1994 and [words indistinct] and suggested they stay in government. In any case, what would change? The present government coalition with its parliamentary majority would, if it were in opposition, fight the new government. The [word indistinct] would not stop. We have had a change of personalities in the government, but that did not help. The same in parliament, that did not help. [words indistinct]

[Lendvai] But Prime Minister, this is not about the opposition. [passage omitted] This is about whether there exist in Slovakia certain fundamental things related to civic society. It is about whether you are open to critical opinions. It is about the press not being controlled and about the Slovak Intelligence Service being under the control of a parliamentary committee with opposition representation. In other words, so that we abroad would get the impression that when there are new elections it is fine if Mr. Meciar wins and fine if the opposition wins, but there must be conditions guaranteeing equality.

[Meciar] [passage omitted] We are now in a situation in which the decision on NATO expansion is going to be made at the beginning of next year, and I face the question of how to guarantee all this by the beginning of next year.

Many things and criticisms from the West have absolutely no effect here because they go beyond reality. If anyone wants to defend freedom of the press in Slovakia, I cannot regard him in any other way than as someone who does not know the situation here. Because the reality is different. If somebody comes to our country and says that the opposition does not have room to express itself and to play an active political role, then again I am very sorry because the opposition does have the scope. [passage omitted] As regards the question of whether we manage to do everything by the spring so as to gain trust, if all the other institutions do not help there will be a problem. As far as entry to the EU is concerned, I do not doubt that by 1998 things will have been sorted out to that extent, because there has been definite movement among the population in a positive direction, there has been definite movement in intellectual circles, also in a positive direction, with trust in the state and unification as the main concerns. That is a positive development, even if they do not agree with me. This development is different to what there was in 1993 and 1994, for example. So the parties will have to adapt.

My role is to do everything in order for us to gain trust with a view to the 1998 talks and to try to save everything that can yet be saved by the spring of 1997 because it is not necessary not to take into account what you rightly said about there being plenty of negative signals and doubts about Slovakia. [sentence as heard]

Then there is another thing. I would be very displeased if these negative signals were seen as the only cause and if the fact was concealed that there are certain talks under way between certain powers which together must find the limit of agreements and interests in Europe to prevent the creation of two Europes. That is a reality which no one wants to talk about, and they are going on and they are forming an attitude toward Slovakia. So this is not just an internal matter for us, although our internal development is an internal matter for us alone.

That is why we should not set the global movement in Europe as a whole against developments in Slovakia, but they need not always be the same thing. Sometimes it can even be a deliberate misuse of the facts against Slovakia. Democracy cannot be dictated from outside. Democracy must come from within. And it can only come from within if there is development. And without a

doubt there is development in Slovakia and it is positive, even if there are not yet any results.

Slovakia: Meciar Reacts to Cabinet's Alleged Autonomy Plan

AU1707155396 Bratislava SLOVENSKA REPUBLIKA
in Slovak 17 Jul 96 p 2

[Article by Chief Editor Jan Smolec in the "Column in Italics from the Government" rubric: "Will Irredentists Declare Two Autonomies?"]

[FBIS Translated Text] Yesterday's 77th cabinet meeting started with "hot news." The situation in Dubnica has calmed and there is now time for a businesslike dialogue. The prime minister said that such problems cannot be dealt with in the streets. The subject of Dubnica was also raised during the debate on the document "Prospects of the Slovak Machine Building Industry," a sad report about the steep decline of Slovak machine building. Though the issue was not mentioned in the cabinet, in the lobbies one could hear that the lobbyists of foreign engineering firms had handsomely bribed two high-ranking federal representatives for them to liquidate Slovak arms production. These slimeballs [podraznici] collected several million dollars. According to Julius Toth and Jan Ducky, it will take us a few more years before we recover from this dirty trick.

However, the prime minister is not interested any longer in analyses and references to the mistakes and treacherous deeds of former politicians....

"We have been in the government for 18 months. We must no longer just make excuses by referring to the past. It is necessary to say what we have done to improve the situation. Do not submit analyses, but solutions." Many different views were voiced in the discussion. The previous management bodies were obliterating the reality. The companies owe banks gigantic sums of money. The products are not competitive in quality and price. The production programs have not been defined. The economy fully depends on programs. Only good production programs are going to be financed.

The Slovak-Hungarian flying of sparks was discussed at the cabinet meeting as well. Slovakia assumed a vigorous position on the provocation [reference to the joint statement by Hungarians from in and outside Hungary, adopted in Budapest on 5 July, advocating autonomy for ethnic Hungarians in neighboring countries], as is required of a sovereign state. A statement has been addressed to the other side and we are now waiting for a reply from Budapest. The [other] neighbors of Hungary are not silent, either.

Unfortunately, the provocations are not about to stop. At the very time when the Slovaks want to celebrate in peace and joy the fourth anniversary of the declaration of sovereignty, Hungarian hussars are to march into our territory, according to information from circles close to Csemadok [ethnic Hungarian cultural organization]. Outwardly, they advise that it is going to be only some kind of a circus performance. However, our extreme irredentists want to declare on this occasion the Eastern and Danube Region autonomy [Vychodna a Podunajska autonomia]. Some ministers warned that, while traveling in southern Slovakia, they came across Slovaks' views that the government is soft and that the Hungarians are doing on our sovereign territory as they please.

The prime minister reacted calmly: "If someone declares autonomy, we will proceed according to the law! Let us not allow ourselves to be provoked. But let us pay heed to those who provoke. God forbid that somebody shoots, the fat would be in the fire right away."

Someone pursues the aim of bringing the situation to a head. Let us hope that European politicians are also interested in Europe's stability.

As I was leaving the cabinet meeting, I had a good feeling. Meciar's government will vigorously defend the sovereignty of the state and its territorial integrity.

Slovakia: Anna Nagyova Interviewed on Meciar, Career

96CH0138A Prague MAGAZIN MF DNES in Czech
20 Jun 96 pp 18-19

[Interview with Anna Nagyova, director of the Office of the Slovak Prime Minister, by Karol Wolf; place and date not given: "Always Totally Committed"]

[FBIS Translated Text] Anna Nagyova, the right as well as the left hand of Vladimir Meciar, longs for peace and quiet.

For some, she is a charming lady. For some she is a she-vampire with whom it is not advisable to play games. For some she is merely the director of the Office of the Prime Minister. For some she is a woman who can do anything in Slovakia. Anna Nagyova is the right as well as the left hand of Vladimir Meciar, from his entry into high-level politics to this day. It is said that when she enters a room, even members of the Slovak cabinet stand at attention. Still much more is being said about her, but she only smiles: "I go by the motto: 'Let everyone live and act according to what they have.' By that I mean in the head as well as in the pocketbook."

[Wolf] Are you aware that people call you Steel Anna?

[Nagyova] I learned about that nickname two years ago, but I have the impression that it is not used quite as often today. Then, as well as today, I could only laugh about it.

[Wolf] Perhaps you are called "Steel Anna" because you are a strict taskmaster.

[Nagyova] Yes, I am strict, but above all with myself. Then also with my subordinates. It cannot be otherwise. The work I do demands strictness. I cannot make mistakes—there is too much at stake.

[Wolf] And what else are you?

[Nagyova] An entirely normal woman who can be happy, but who can also worry or cry. I have the disadvantage of always being in the eye of the public and facing criticism from the media. But I take it in stride; it goes with my job.

[Wolf] It is said that Anna Nagyova can arrange just about anything in Slovakia. Is that true?

[Nagyova] No, it has never been true, nor will it be. I am not a politician, and therefore I do not have political responsibility. It may appear otherwise from the outside, but I have never meddled in politics, and I don't think that it would have been possible for me anyway.

[Wolf] Your career is linked primarily to Prime Minister Meciar. What does it mean to work at his side?

[Nagyova] It is above all a good, even though a hard, school. I am proud of the fact that I am working with him and that I have been able to bear up during these past six years. The prime minister asks a lot of himself and those around him, and so do I. Basically, we have found each other. I am not trying to give him favorable publicity—after all, he does not need it—but I have to say that Vladimir Meciar is a great personality with enormous charisma. He is an extraordinarily wise and educated man, who is able to think far ahead. He is a politician, the kind a politician should be, and to my mind he reached beyond the Slovak border a long time ago.

[Wolf] What is Meciar's behavior toward his subordinates?

[Nagyova] He is very demanding, but he can also be tolerant. And he is also a very sensitive person. Of course, you are now smiling and thinking that I am idealizing the prime minister, but he really is exceptionally sensitive. The public sees him as a boxer and a boor, but that is not the true picture. He literally understands the human soul; he can judge what troubles a person, and he is always ready to give whatever help he can. I could tell you about hundreds, thousands,

maybe tens of thousands instances when he selflessly offered a helping hand to someone who could not possibly have paid him back in any way.

[Wolf] Are you able to influence his actions and decisions?

[Nagyova] I do not try to. Of course, we have frequent discussions and exchanges of views. He listens a lot: He is not the type who has his own view on everything and has to immediately tell it to everybody. At times I noticed that he listened, listened, said nothing and left. Then, out of the blue, maybe a month later, he does or says something that was under discussion at that time when he kept quiet. He has an unbelievable memory. In this sense, therefore, he can be influenced.

[Wolf] The prime minister belongs among the well-dressed, one can even say, the very-well-dressed politicians. At the same time, discriminating taste is not exactly the strong suit of Slovak politicians. Isn't your influence dominant precisely in this respect?

[Nagyova] You will not believe me, but it is not. The prime minister has his own individual taste, and he does not brook much interference in that respect. Of course, occasionally he asks if he should have worn a different tie, but otherwise he chooses his own wardrobe.

[Wolf] And what about your wardrobe? Many women certainly are envious of it.

[Nagyova] My taste is the result of my mother's influence. I was brought up to always dress elegantly. In the days when not so many things were available I sewed my clothes using Burda patterns. I do not claim to be a wonderful seamstress, but I managed. Since 1991 I have had a friend, Dr. Ekhartova, who owns a dress salon, and my wardrobe consists of practically only her designs.

[Wolf] You are a woman of refined manners and discriminating taste. The prime minister is, as you might perhaps admit, the impulsive type who often uses vulgar expressions, even in public. Does that bother you?

[Nagyova] Sometimes it does. I am not uncritical, and I do not just let it go by. After something such as you allude to happens, I may tell him that that is not done. But you also assert that the prime minister is very impulsive. I can tell you that sometimes I am almost surprised at his lack of impulsiveness. Sometimes he works terribly hard on something, and then somebody comes and says such things about it that it boggles the mind and sets one's teeth on edge. I can tell you frankly that most of the time the prime minister has to exert great control over himself, but then he sometimes

explodes. But otherwise I do not think that being impulsive is necessarily a disadvantage to a politician.

[Wolf] Do you have any friends among people who are in politics?

[Nagyova] I am something of an introvert, and to speak about friendship in my case is problematic. No especially friendly relationships, at least as far as I know, generally exist even among the politicians. We are all very busy, and there is not much time left for developing friendships. But I have no problem communicating, and that applies to the opposition politicians as well. If somebody has a problem with me, that is their affair.

[Wolf] Slovak politicians, then, are not very companionable?

[Nagyova] I know of no strong friendly relationship, but I repeat—it is obviously the consequence of the deluge of work. Members of the cabinet have very little opportunity to talk together as people, that is, not as politicians. We only have one custom in the government: When someone has a special anniversary, we go to dinner together. That can be very pleasant.

[Wolf] What about your husband? How does he tolerate your career? After all, it is mainly men who pursue a career.

[Nagyova] Why? I know many women who are not sitting at home. And my husband has gotten used to it during the past six years. After all, he had no other choice. And besides, he has his own work; he is a successful dental surgeon. He also has other hobbies: He plays tennis, exercises regularly....

[Wolf] What are your hobbies?

[Nagyova] I would have quite a few, but there is no time for them. If there is some free time, I prefer to spend it quietly by myself. I feel the need for peace and quiet very strongly: I literally suffer by their absence. Therefore, in my free time I like best to sit in an armchair and read a book or magazine. At my parents' cottage I sometimes ride a bicycle or collect mushrooms. But, unfortunately, I go there very seldom.

[Wolf] Are you rich?

[Nagyova] Of course, I am very rich, but not in terms of money. I think I am very rich in spirit and in all that I have experienced and seen during the past several years. That cannot be measured in financial terms.

[Wolf] I am asking because it is said that those who have been active in Slovak politics since 1989 are fabulously wealthy today.

[Nagyova] I do not know what others are doing. I abide by the axiom: Let everyone live as they wish, and according to what they can afford. I know that such talk as you mentioned in your question is going around, but an overwhelming majority of such talk is malicious gossip. Even I have experienced it. Recently I learned that I own the hotel Devin and the Institute for Cosmetic Surgery. I was told about it by a HZDS [Movement for Democratic Slovakia] deputy. I was baffled. I do not want to do business or live under stress, because I love life so much.

[Wolf] You said that you love life and do not want to experience the stress of entrepreneurship. Does that mean that entrepreneurship in Slovakia is life-threatening?

[Nagyova] I did not mean it that way. Entrepreneurship is the same all over the world, very hard work. But I am a perfectionist, and if I were to start something like that, then I would become totally committed to it, and that would likely destroy me. I do not know the center, for me it is either left or right, but always full speed ahead. If you are in the center, then you have room to adjust your course, but I do not do that.

[Wolf] But your HZDS highly praises the position of political center....

[Nagyova] I did not mean it that way—politics is not life, and in politics to be in the center is an advantage. I am not saying that my philosophy of life is always helpful, but I have chosen it and I live with it.

[Wolf] Being fully engaged in your work means a great expenditure of life energy. Do you have an idea what you will do when your present function ends?

[Nagyova] You will be surprised, but I do have a clear idea. It will be a foundation, and I will work with children.

[Wolf] You have been "in the midst of things" for six years. You have seen much, you have heard much, but only very little of it has become public. Will the memoirs of Anna Nagyova appear at some time on the book market?

[Nagyova] We shall see. If my health holds up and I am inspired by the muse, or if there is a good journalist nearby, perhaps. But I will make that decision some 10 to 15 years after I retire.

[Wolf] I estimate that the reminiscences of Anna Nagyova could have a respectable commercial success. Are you not tempted even now, or maybe somewhat later, but not quite as much later as you said?

[Nagyova] Politicians' memoirs and memoirs of people in politics are always a question of money everywhere in the world. First let me say that to write memoirs at a

time when you might harm someone, or get involved in polemics with people about whom you write, is not right. As for the question of whether my memoirs could be interesting and commercially successful, I am convinced that they would be. For example, the breakup of Czechoslovakia. Practically nobody knows anything about this matter; during the decisive moments only a few people were present, sometimes even only two men. I know some unique facts about this event. This subject alone would be enough for a separate book. Of course, even some juicy stories could not be left out of the memoirs. In this area, too, I have a rich file.

[Wolf] So we have something to look forward to?

[Nagyova] I do not deny it.

Slovakia: Kovac Jr. Not To Accept Presidential Pardon

*AU1707134196 Bratislava NOVY CAS in Slovak
17 Jul 96 p 2*

[Interview with Jan Havlat, Michal Kovac Jr.'s attorney, by "ay"-signed NOVY CAS correspondent in the "Question For" column; place and date not given]

[FBIS Translated Text] [NOVY CAS] You declared some time ago that, even if the president were determined to pardon your client, your client would not accept this pardon. Has your client's opinion changed since then?

[Havlat] My client's opinion has not changed and he would not accept a pardon from his father. At the same time, I do not know that the president is supposed to grant a pardon to my client.

Slovakia: MOS Chairman on Steps Against Hungarian Deputies

*AU1707161396 Bratislava PRACA in Slovak
16 Jul 96 pp 1-2*

[Interview with Hungarian Civic Party, MOS, Chairman Laszlo Nagy by Frantisek Melis; place and date not given: "We Can Come in for Even Harsher Words"]

[FBIS Translated Text] [Melis] How do you assess the government coalition's endeavor to invite five Hungarian National Council of the Slovak Republic [NRSR] deputies before the NRSR Mandate and Immunity Committee, where they should be held accountable for their signatures on the Budapest conference statement of 4 to 5 July [advocating autonomy for ethnic Hungarians outside Hungary]?

[Nagy] I see the whole matter on two levels—a political level and a legal level. It is clear to the public

that this is mainly a political issue because, from the legal viewpoint, no one can be punished for expressing their views. The Constitution and all international documents tolerate the freedom of speech. If Dusan Slobodnik, chairman of the NRSR Foreign Affairs Committee, believes that the Budapest statement is not in conformity with the Constitution and the Government Policy Statement, then it is necessary to discuss this issue and clarify it. This is why I do not consider it right for the present coalition to bring pressure to bear on the five Hungarian NRSR deputies.

[Melis] What goals are to be served by this, in your opinion?

[Nagy] Not so long ago, the coalition barely got together again after a serious crisis, and it now has to conceal some of its future steps, such as the realization of the law on the territorial and administrative arrangement of Slovakia or the law on the powers of local state administration bodies and wind up the privatization process.

The first two laws, in particular, will produce many examples of the insensitive dismissal of people and their replacement by people loyal to the present ruling power. This will be very painful for many people. I would like to emphasize, in particular, the role of the Slovak National Party [SNS]. It suffered a crushing defeat in its struggles with the Movement for a Democratic Slovakia [HZDS] and has to improve its reputation, which is why it took out the tried-and-tested Hungarian card.

[Melis] I remember that it was exactly one year ago, after the chairmen of the three Hungarian parties in Slovakia returned from the United States, that a rabid campaign was unleashed against them.

[Nagy] The campaign was directed mainly against me because I dared to alert the public in Slovakia to the fact that, if the government does not change its policy in applying human rights, in relation to the mass communications media, and in relation to the ethnic minorities, the Government of the Slovak Republic must reckon on a stern warning from the United States and Europe. Our statements became the sole topic of last year's summer. A short while later, it turned out that we were right because not only the U.S. Administration, but also major European organizations drew Slovakia's attention, in a severe manner, to the violation of precisely those principles about which I spoke after returning from Washington. I do not want to predict anything bad for Slovakia, but I am afraid that, this year, it will all be repeated in an even more severe form. Should some parliamentary committee or the NRSR take any steps against Hungarian Coalition

deputies, Slovakia could come in not only for harsh words, but also deeds.

[Bratislava PRAVDA in Slovak on 17 July on page 2 carries the following TASR report on a Hungarian Civic Party [MOS] statement issued on 16 July: "Prime Minister Vladimir Meciar's government has launched a sharp domestic and foreign policy campaign over the declaration from the Budapest meeting of the Hungarian Government with the representatives of parties representing Hungarian minorities in the neighboring countries, reads a statement issued by the MOS Presidium on Tuesday. According to the MOS, one of the goals of this campaign is to divert attention from the series of scandals accompanying the activity of the Slovak Government and to conceal the fact that the Government of the Slovak Republic not only does not observe the basic Slovak-Hungarian treaty, but violates it in many points. It also cannot be ruled out, the statement continues, that the goal could be to prevent the admission of the Hungarian Republic into NATO and the EU."]

Slovakia: FNM Spokesman Confirms Privatization Suspension

AU1707142696 Bratislava SME in Slovak 17 Jul 96
p 2

[Report by "rzi": "Agreement Between Meciar and Party of Democratic Left on Refraining from Privatization Is Supposedly Being Fulfilled"]

[FBIS Translated Text] Bratislava—"Since the last meeting of the parliament, the National Property Fund [FNM] Presidium has met three times but did not decide on a single sale," FNM Spokesman Oto Balogh told SME. Party of the Democratic Left [SDL] Chairman Jozef Migas declared during the 16th National Council of the Slovak Republic [NRSR] meeting that he has a written guarantee from Prime Minister Meciar that privatization would be suspended until the FNM bodies are reconstructed. The reconstruction of FNM bodies was one of the items on the parliament's agenda but, following a week-long adjournment of the 16th NRSR meeting and the coalition parties' agreement in Trencianske Teplice to continue the present government coalition, deputies deleted this item from the agenda. Representatives of the government coalition have not ruled out the possibility of the FNM bodies being reconstructed in September, following the parliamentary parties' agreement. At the last NRSR meeting, the deputies approved an amendment to the law on securing state interests in the privatization of strategically important state enterprises and joint stock companies. Under this amendment the four most important financial institutions—Slovenska Sporitelna [Slovak

Savings Bank], Vseobecna Uverova Banka [General Credit Bank], Slovenska Poistovna [Slovak Insurance Company], and Investicna a Rozvojova Banka [Investment and Development Bank]—were included among strategic companies. The amendment was put forward by SDĽ deputies Brigita Schmognerova and Robert Fico. After the approval of the amendment, Brigita Schmognerova admitted that "the amendment does not prevent the sale of shares of strategic companies. The FNM apparently can sell its shares in Slovenska Sportelna and Slovenska Poistovna. I suppose, however, that this will not happen, as Vladimir Meciar pledged that there would not be any privatization as long as the FNM bodies have not been reconstructed."

**Slovakia: State Funds Allocated To Prevent
Dubnica Layoffs**

*AU1707135396 Bratislava NOVY CAS in Slovak
17 Jul 96 p 2*

[Report by "bud": "The Employment Fund Will Also
Help ZTS Dubnica"]

[FBIS Translated Text] Bratislava—The Slovak Republic Employment Fund is to spend a total of 840 mil-

lion korunas [Sk] this year in support of departmental projects aimed at maintaining or increasing employment in specific Slovak firms and companies. For the second half of 1996 it has approved four major projects: at Chemko Strazske, Keramika Pozdisovce, Sony Slovakia, and ZTS [Heavy Engineering Works] Dubnica nad Vahom. According to Engineer Jaroslav Sumny, director of the Employment Fund, ZTS Dubnica applied for a financial contribution of Sk385 million. In the interest of maintaining jobs in ZTS Dubnica, the Employment Fund Presidium decided to allocate Sk83 million in the form of an advanced payment. It is also prepared to extend the inevitable guarantee for another Sk200 million, which the company could obtain in the form of a bank loan. According to Engineer Jozef Barancok, director general of ZTS Dubnica nad Vahom, the Sk83 million from the Employment Fund will enable the company to maintain the present number of employees until the end of the year.

Hungary: Defense Official Predicts NATO Membership in 1999

AU1707140396 Budapest MAGYAR NEMZET
in Hungarian 17 Jul 96 p 3

[Unattributed report on interview with Defense Ministry Deputy State Secretary Istvan Gyarmati; place and date not given: "NATO Membership Expected for 1999"]

[FBIS Translated Text] NATO membership for Hungary is coming, Istvan Gyarmati, deputy state secretary at the Hungarian Defense Ministry, told us. We expect NATO to invite the relevant countries, including Hungary, to join in membership negotiations in the first half of 1997. If the timetable can be maintained, those negotiations will end at the end of 1997 or at the beginning of 1998, and then both the new and the old members will have to legalize the agreement according to their own legal order. It is hoped that this process will end in one year, and then Hungary can become a NATO member. It would be nice for NATO to celebrate its 50th anniversary with a membership of 20 countries, for example, instead of the present 16 countries—Istvan Gyarmati pointed out.

According to Istvan Gyarmati, Hungary must first of all strive to fulfill the NATO conditions and to be among the first countries to join. At the same time, Hungary would like to see as many of its neighbors as possible become NATO members, because this would mean that these countries achieved a level of democratization at least equivalent to that achieved by Budapest, and this would have a favorable effect on the region's stability, and, last but not least, it would stabilize the situation of the ethnic Hungarian minority in the countries that become NATO members.

In Istvan Gyarmati's view, we can be satisfied regarding the fulfillment of one of the major NATO requirements; namely, civilian control. The legal and organizational conditions of civilian supervision are fully given in Hungary, but there is still a lot to be done. Istvan Gyarmati referred to the importance of the army reform and stressed that we should advance in the direction of NATO compatibility. We should continue the changes that we have started and we must even accelerate them in certain areas, by modifying the leadership system, for example. We must also advance in the area of common airspace control, something that is also a basic integration issue.

Istvan Gyarmati called the ongoing consultations with NATO extremely useful. He said that our exchange of views with NATO is almost as open as with NATO members. We receive all the information from NATO that we need for restructuring our army. Regarding

the future timetable, Istvan Gyarmati said that the last round of consultations will be held this autumn and then NATO will assess its experiences not only regarding Hungary but also regarding the other countries, and they will submit them to ministerial meeting in December.

Hungary: Airport Cleared To Receive IFOR Aircraft From Bosnia

LD1607135496 Budapest Kossuth Radio Network
in Hungarian 1100 GMT 16 Jul 96

[FBIS Translated Text] The last MiG-21's in working order are expected to leave the Taszar air base by the end of this week [20-21 July] and will carry out a defense alert service from the Papa airport in the future.

Lieutenant Colonel Jozsef Karanc, commander of the Taszar air wing, told Hungarian radio that the peacekeepers' headquarters had asked for more airfields from Hungary because of the Implementation Forces' [IFOR] return from Bosnia. This is why the working MiG's had to be moved to Papa.

According to unofficial sources, the Taszar air unit's removal might be in connection with the Hungarian Air Forces' planned reorganization, as a result of which fewer airports will be needed than at the moment.

Hungary: BHG Privatization Troubles Reported

96CH0123B Budapest HETI VILAGGAZDASAG
in Hungarian 25 May 96 pp 114-116

[Article by Maria Mink: "Declining BHG; Wrong Connection"]

[FBIS Translated Text] BHG [BHG Telecommunications, Ltd.], the former flagship of the Hungarian telecommunications industry, is beginning to look more like an easily capsizing little boat. The empty promises of successive administrations during the turmoil of recent years are in part responsible—the company trusted them and missed the opportunities presented by a new and independent strategy.

The director general of BHG Telecommunications, Ltd. (BHG) was stunned when he recently read the news in the daily papers regarding the privatization of his company. The government firm's asset management center would be abolished through a final settlement and, consequently, BHG (which has a 1.4-billion-forint [Ft] capital stock) would cease to exist as a "idea," and the consortium would break up into smaller associations that would be independent from one another. According to the Director General Laszlo Mikics, the concept disclosed to him revealed no such intention, and this idea was not raised during earlier negotiations with APV [State Privatization and Property Management Corporation], either.

In the news, which also appeared in APV's "official weekly" HETI PRIVINFO [Weekly Privinfo], BHG's defeat at Matav's [Hungarian Telecommunications Company] tender at the end of last year was cited as the reason for creating three ventures from the stock company's units that are deemed competitive (BHG Electric, Ltd., BHG Information, Ltd., and BHG Telephone, Ltd.), the business departments of which would be under the ownership of BHG, the latter functioning as a holding company. "This is what the charter says," said Mikics, showing the documents which, indeed, do not say anything about a settlement of the holding company itself. "The reporters misunderstood what was said at the press conference in April," Mikics reiterated proprietor APV's reply to his concerns. This was a strange argument, in part because APV Managing Director Endre Biro repeated the idea (which was later retracted) in replying to the HETI VILAGGAZDASAG correspondent's direct inquiry following the press conference. The fact that a few days later a lengthy article was published in the HETI PRIVINFO, describing yet another version of the telecommunications company's privatization, does not help in trying to clarify the issue. "The BHG companies are meant to be professional investors, and the holding company is meant to be a financial investor."

Specialists (who wish to remain anonymous) say that BHG's reservations with regard to APV's clear intentions are justified, for the circumstances of announcing and evaluating the bids for the so-called digital connection, which determined the company's fate in 1990, are still unclear. Indeed, since there are no more large-volume orders coming from the [former] Soviet Union (the formerly renowned company's main market), it is unclear whether BHG's loss of the domestic market and telephone exchange manufacturing was the result of fair competition or fell victim to stronger lobbies or political considerations.

It was suspected at the beginning of the [present] decade that the Hungarian telephone industry would see an explosion in the coming years and that anyone taking part in its development would be able to secure long-term and exclusive markets, thanks to the limitations of technical solutions. Before the tender of six years ago, BHG was the only company that supplied the Hungarian Post Office with telephone exchanges (manufactured under the license of Northern Telecom of Canada and its affiliate Austria Telecom). In the mid-1980's BHG secured a Ft1.2-billion loan for introducing Canadian telephone technology to Hungary, and built a total of 100,000 telephone lines in Hungary between 1986 and 1990, all ordered by the Hungarian Post Office. However, to the surprise of both Northern Telecom

and BHG (which bought the license), the Post Office has decided to announce a tender before any further expansion, and that determined to a great extent the telephone network's subsequent development.

Imre Bolcskei, KHVM's [Ministry of Transportation, Telecommunications and Water Management] state secretary at present and head of main department at that time, reminded us that eliminating Northern Telecom's monopoly and its monopolistic prices was cited at that time as an explanation. He says that in 1990 Northern charged \$350 per line for a telephone exchange when the world market price was [only] \$150. Laszlo Mikics added to this that BHG signed an agreement with Northern when, because of various COCOM restrictions, no other Western firm shipped highly developed electronic products to socialist countries; "How can one speak of world market prices under such circumstances?" He recalls that BHG indicated before the tender's announcement that they would accept competition and would be willing to match the prices of either the winner or the second-to-the-winner. For they believed that they would be only facing an "introduction" of competition, and not a complete market "redistribution." Incidentally, Imre Bolcskei thought in retrospect that, in view of the 100,000-line capacity of that time, it would have been more sensible to announce the tender in this manner.

Some insiders think that the fact that foreign manufacturers exerted increasing pressure on decision makers in order to penetrate the [new] markets after the lifting of the COCOM restrictions and the opening of the Hungarian market was instrumental in the Post Office's new decision. There were some rumors at that time, for instance, that German government circles used their traditionally great influence on their Hungarian colleagues on behalf of Siemens, one of the most promising competitors. In the end, BHG's Canadian partner had lost the bid, which was allegedly surprising even to the competitors, for Northern was playing on its own "home ground." At any rate, this is how Ericsson from Sweden and Siemens from Germany, the two winners, were able to enter the Hungarian market as newcomers, depriving BHG of the opportunity to undertake a growth estimated at several billion forints.

Citing business secrecy, the Hungarian Post Office (i.e., its legal successor) failed to date to make the five bidders' proposals public; indeed, it seems that this was not in the interest of either the winners or the losers. In 1991, MSZP [Hungarian Socialist Party] Representative Laszlo Pal questioned in an interpellation the criteria of the bids' evaluation. Although the National Assembly did not accept the reply of Minister Csaba Siklos, who was called to account, the parliamentary committee which was investigating the circumstances regarding the

tender did not find any irregularities. True, according to Pal's statements of that time, some of the documents were inaccessible. Istvan Fodor, chairman and CEO of Ericsson's Hungarian affiliate, repudiated the statements that his firm ended up on the bottom half of the list of competitors. He said that the competitors were evaluated in five categories, and Ericsson was the winner in all five.

At any rate, BHG's fate has been mostly determined through the loss of its bid in 1990; it was forced to give up manufacturing telephone exchanges, its main activity. "It seemed to me that they did not want to face this," said Bolcskei, who thought that instead of purposefully trying to change its profile during the past four years, BHG concentrated on the next round of the telephone competition at the end of 1995 which, everyone knew, would permanently eliminate one of the three suppliers. Matav, the Post Office's legal successor, wanted to limit the field, claiming that the operation, development, and maintenance of three telephone networks on the relatively small Hungarian market would be uneconomical. At the same time, BHG's unspoken hopes may have been strengthened by the previous administration's contradictory actions or, in other words, guilt complex. Bolcskei admitted that, despite BHG's defeat, the KHVM forced upon Matav a contract for a 200,000-line telephone exchange for BHG because of so-called industrial policy considerations, and this figure subsequently was increased by an additional 50,000. In the meantime, the competitors also took energetic strides forward. By the end of 1994, Ericsson has built more than 650,000 telephone lines, and Siemens more than 550,000, all ordered by Matav.

In view of the competitors' development and increased capacity, it must have become more and more evident for BHG that it would be a great loss not only for the competitors but also for Matav if the 1995 "all-decisive" second bid involving a change of systems would be won by an earlier loser, for a large part of the order given to one of the two international firms would be wasted. "No one could have thought seriously that we would voluntarily give up our position and voluntarily move out of the market," said Laszlo Mikics, denying that "they put everything on one card." Mikics thought that a change of profile needs not only much time but also much money and, indeed, BHG—weakened by market losses and loans—has less and less energy; they were nonetheless gradually introducing new activities (printed circuits, part units, telephone booths, installation and maintenance of telephone networks). The former giant firm's downsizing is obvious. The number of its employees has decreased in seven years from 10,000 in 1988 to hardly more than a tenth and its sales of Ft6

billion decreased to about Ft5 billion during the same period—which means a much greater decrease in real value, of course.

Just like its predecessor, the Horn administration acted irresponsibly. BHG was encouraged by both APV and Matav to compete despite the fact that there could be no reasonable doubt as to the winners, and that it seemed obvious that the administration could not risk the Hungarian investments of the two multinational firms (amounting to several billions, e.g., Ericsson spent a total of about Ft2 billion on its presence in Hungary, including a production plant and a software network for independent development) or their expected continuation, for BHG which in the meantime had lost much of its industrial and job-creating significance. In order to expedite a good start, for instance, APV issued a Ft51-million bid bond to customers on behalf of BHG for its startup, and Matav invited BHG to a closed-door tender.

Although competition was tight, BHG was defeated again at the tender of last December, and this permanently eliminated the firm from this market. Matav announced that its capacity may be expanded in the following only by Ericsson and Siemens, the two winners of the bidding. Ericsson's director general thinks that the development of the telecommunications market has accelerated to the point where it cannot be followed through licenses—as BHG does. "Those manufacturers who are 'inside' the market of a given country in terms of both production and development, will have an advantage," said Fodor.

"We have accepted the final results," said Laszlo Mikics to our correspondent, adding that they will concentrate their energies on survival and on finding new markets. Despite all this, Mikics expects cooperation on the part of the winners, since the agreements with Matav call for the latter's "assistance" in keeping BHG afloat by placing orders.

"This has not yet produced any concrete results," added Mikics, and Ericsson officials admitted that there is indeed such a promise, which still has to be fulfilled. However, according to information from other sources, in the interest of future cooperation, the competitors would like to see Mikics, who constantly makes reproachful references to the administration's "guilt complex," removed from his post, and would welcome less objections on the part of APV with regard to future orders. Some experts say that APV's "Freudian slip of the tongue" about BHG's breakup may very well have been a hint of this.

Hungary: Principles of Draft Constitution Debated
96CH0128B Budapest HETI VILAGGAZDASAG
in Hungarian 1 Jun 96 pp 70-73

[Article by Endre Babus: "Late Charta: Preparations for the Hungarian Constitution"]

[FBIS Translated Text] The Horn cabinet is the fourth government in a row to promise a new constitution in Hungary. However, even though the present coalition has a 72-percent parliamentary majority, it is increasingly doubtful whether a new national charta will be composed in the current government period. The constitution draft, prepared by the constitution drafting committee of the National Assembly and 600,000 copies of which were published in April, left an abundance of fundamental questions of public law open.

To write a constitution, anxiety, fear, and looming threat are required, stated one of the best known Hungarian legal experts, who mentions as a primary example Thomas Jefferson and company, the United States of 1787, where the principal, almost paranoid rationale for writing a constitution was to prevent a monarchy. "After the Second World War the Germans were visited by the ghost of fascism and the conditions in the Weimar republic, a state of ungovernability. De Gaulle in 1958 wanted to avoid the parliamentary impotence of the Fourth French Republic." Andras Sajo is one of those people who think that we possess enough fear in Hungary to codify a second written constitution. The 47-year-old university professor, who in the fall of 1990 put at the table of Hungarian politicians a complete draft constitution consisting of 210 articles, and who participated as an expert in the preparation of new social contracts in Georgia, South Africa, Ukraine, and Belarus, considers the potential collapse of the "dinosaur state" a serious danger which the executive power would be unable to handle within the framework of the present constitution.

Another group of constitutional lawyers, on the other hand, is warning Hungary against drawing up a new national charta. "Hungarian politicians must be prepared to fix the bus on the go," argues the British Stephen T. Holmes in a 1993 issue of JOGALLAM [Constitutional State] in favor of permanent constitutional development. And Laszlo Majtenyi, who recently became commissioner for data protection, considers it a sign of organic social development that a multiparty democracy is able to develop under the constitutional "shell" of dictatorship. "For a few more years constitutional amendment(s) can adequately address the renewal of the social contract," the ombudsman writes in a 1994 article. There are also scholars, such as Laszlo Solyom, the president of the Constitutional Court, who think there is no need

to replace the current body of fundamental laws which, regarding its contents, is on par with the European standard.

The issue of whether a new constitution is necessary, which in recent years has become a political bone of contention, has completely divided the Hungarian legal profession: According to a poll by Szonda Ipsos in the fall of 1994, 49 percent of jurists would welcome drawing up a new constitution, while 47 percent would consider it unnecessary. The various political forces are more united in the matter: In the election campaign two years ago, there was hardly a political party that did not urge replacing Law No. XX of 1949, originally signed by Matyas Rakosi and Arpad Szakasits, even though it was considerably reworked in 1972 and especially in 1989.

The two extremes of the constitutional visions are formed by the ideas of the Independent Smallholders Party [FKgP] and the Hungarian Socialist Party [MSZP]; the Smallholders urge the rehabilitation of the cardinal idea of the historical Hungarian legal system, the doctrine of the holy crown, while the "new left" urges the constitutional acknowledgment of a social constitutional state. It is also the Smallholders who want the greatest reorganization of the state. They want a parliament with two chambers, and ultimately a presidential republic in Hungary, with a president directly elected by the people (the Christian Democratic People's Party [KDNP] and the MSZP share the latter idea). The Christian Democrats would also like to see a reorganization of power at the top; they would divest the Constitutional Court of its only real weapon, the right to nullify laws. Finally, only the Socialists are missing from the five-party choir that demands subordinating the Public Prosecutor's office to the government; that is, liquidating this neutral power.

It appears that not much of these bold dreams will come true. The general opinion of the draft constitution, developed in nine months and 600,000 copies of which were published in April, is that a puny little mouse was born after a labor of mountains. Kalman Kulcsar, who was justice minister during the change of regime, characterized the document as "disappointing," which in his opinion also reflects incoherence. Several civic organizations urge repealing the issue of the constitution, and according to the chairman of the Independent Forum of Jurists, the development of the body of fundamental laws should be entrusted to a constituent assembly to be convened around the turn of the millennium. In the meantime, the document was born after a delay of more than a year (originally, the coalition wanted to hold a referendum on the completed constitution in August 1995), and some politicians and experts think that its

chief merit is that it basically succeeded in preserving the current system of institutions. On the other hand, for the same reason, other constitutional lawyers question whether it is worth embarking on an adventure costing a few billion forints in order to "comb through" the current constitution.

It is a fact that the members of parliament hardly even acknowledged earlier inventive ideas of "constitutional lawyers with unbridled brains," as Laszlo Majtenyi called his colleagues (for instance, Andras Sajo suggested in his 1990 utopian constitution that the state's contribution to arts, education, and research be increased each year by a certain percentage of the GNP). The boldest innovation is that by eliminating a constitutional blank spot, the draft devotes a few sentences to matters of public financing (HETI VILAGGAZDASAG [HVG], 20 April 1996). It also provides for statutory distinctions between constitutional rights that can be enforced by courts of law and goals of the state that cannot be sued for; the latter would include, for instance, the right to work and to rest. At the same time, a serious accusation against the draft is that it would further strengthen the position of the parliamentary majority, which in Hungary holds the executive and legislative power in its hand, while divesting the president of several constitutional rights (for instance, the right to initiate a bill). It also caused deep disappointment in a segment of the community of judges that in spite of promises, the plan does not suggest a solidification of the autonomy of jurisdiction, and refrains from establishing a national jurisdiction council. According to Constitutional Justice Geza Kilenyi, these steps might endanger the success of the constitutional doctrine, which establishes the balance of the branches of power. Limiting the possibility of the basic institution of direct democracy, the referendum, could also lead to an increased influence of the parties.

The document seems to be deficient in several areas. So far, although strategic decisions should be made precisely in the current phase, the parliamentary groups have not adopted positions on fundamental issues, such as whether they wanted to reduce the size of parliament, change the electoral system, or how to stabilize the constitution.

At the same time, there have been indications since the draft constitution has been published that some of the signatories tend to ignore the draft that had been developed behind closed doors. After the Smallholders, who on 20 March walked out of the 25-member constitution drafting committee of parliament, the Christian Democrats began serious attacks on the document in April, and so did one of the vanguards of the Hungarian Democratic Forum [MDF], Peter Boros former prime

minister, who summarily called the draft immature. Recently, former Justice Minister Istvan Baisai, has also been criticizing the draft constitution; in accord with several civic organizations he considered the 45 days allotted to social debate too short. In the meantime, the MSZP and SZDSZ are beginning to realize more than ever that if the draft of the constitution's text is not finished by the end of 1996, the new body of laws will hardly be completed in this parliamentary cycle. For a part of the opposition it is not imperative that parliament "present" to the nation a new constitution during the tenure of a Socialist-Liberal coalition.

[Box, p 70]

Seven Principal Ideas

The radical revision of the constitution that took place at the time of the proclamation of the Republic (in October 1989) declared that Law No. XX of 1949, which in a few articles still preserves the legacy of the proletarian state, was temporary. Since then, several official and private concepts of a constitution, as well as a constitution fragment, were made public in Hungary, most of them without any chance of realization.

The Kulcsar Draft

The draft constitution prepared in 1990 as the "swan song" of Justice Minister Kalman Kulcsar, consisting of 171 articles, wanted to push the political structure towards a semipresidential model by strengthening the position of the president. The document, the chief codifier of which was Istvan Somogyvari, presents alternatives in several particulars, and as one possible solution it envisages the direct election of the head of state. According to this proposal, the head of state could be divested of his office only as a result of a referendum, even if he committed a serious infraction of the law. The National Assembly would consist of a House of Representatives consisting of 250-300 members and an Upper Chamber of 100-120 members; bills would have to be passed by both chambers before they become law. The president of the Supreme Court and the constitutional justices would be suggested by the head of state and elected by the Upper Chamber.

The Sajo Draft

Andras Sajo's constitution text consisting of 210 articles, which was made public in the fall of 1990, suggested the establishment of a parliament consisting of two chambers: the National Assembly and the Territorial Assembly. It suggested considering representatives to be resigned after a designated number of unexcused absences. According to the draft, instead of the present

100,000, only 350,000 citizens could initiate a referendum; at the written request of 700,000 citizens the constituent assembly would be convened. Parliament could also initiate constitutional amendments, but they could only come into force if they were approved by a qualified majority of the following National Assembly and Territorial Assembly. According to the draft, no one could serve as prime minister for more than a total of 12 years.

The Maczo Draft

Agnes Maczo G. Nagy, the 36-year-old Smallholder deputy speaker of parliament, together with her husband, Ilian G. Nagy, submitted to parliament in April 1995 her draft constitution consisting of 143 articles. The proposal follows the principle of the traditional separation of the branches of power: Corresponding to the current French and Portuguese solution, it would forbid personal overlaps between the government and its check, parliament. The proposal would do away with the constructive motion of no-confidence which protects the prime minister and would make possible the elimination of the other members of the cabinet by parliament. At the same time, the proposal would strengthen the power of the president: For instance, the president, elected by the people, would be able to convene the cabinet at any time, and before their appointment he would be entitled to express his opinion about prospective interior, foreign, and defense ministers.

The Pokol Draft

Law professor Bela Pokol's draft constitution fragment of 38 articles, published in the spring of 1994, which describes the constitutional freedoms and the organization of the state, would limit the powers of the president and the Constitutional Court and would strengthen the power of parliament. The National Assembly would consist of a 220-member House of Representatives and a 46-member Territorial Assembly; the latter would increase the weight of the countryside compared to the capital. The two chambers together would elect the president, whose appointment would be limited to the duration of the mandate of the National Assembly that elected him, instead of the current five years.

The Bragyova Draft

The 288-page draft constitution of Andras Bragyova, a 46-year-old researcher at an institute of the Academy of Sciences, published in March 1995, proposed to restrict the role of the National Assembly and increase the powers of the Constitutional Court and the government. Instead of the parliament, which would consist of a Legislative Council and a Control Council, various new to-be-established bodies would be entrusted with

electing the head of state, the president of the Constitutional Court, and the Chief Prosecutor. The draft proposes to entrust the Constitutional Court with the revision of legally binding judgments. According to the draft, people with an income below subsistence level must be exempt from paying income tax.

The Vastagh Draft

The 100-page draft constitution of the Justice Ministry, published in March 1995, proposes to define the Third Republic as a "social constitutional state," it would make the principle of supporting underdeveloped parts of the country a constitutional doctrine and would strengthen the powers of the head of state to be elected directly by the people; for instance, the president would have the power to appoint the Chief Justice and the Chief Prosecutor. It would increase the number of civilian signatures necessary to initiate a referendum from the current 100,000 to 300,000. The draft proposes to maintain the neutral status of the Chief Prosecutor's office; it would return the "threshold to parliament" from the current 5 percent to 4 percent. To sever the "umbilical cord" between the government and the courts, it proposes the establishment of a 16-member summit organ of local governments, the National Jurisdiction Council.

The Draft of Parliament

The 46-page document prepared by the 25-member constitution drafting committee of the National Assembly, dated 28 March 1996, proposes basically to maintain the current constitutional status quo, but would decrease the powers of the president; it would, for instance, revoke his right to initiate bills and would exclude the president from the members of the Defense Council to be established in a state of emergency. The draft devotes a whole chapter to public financing, and declares the independence of the central bank from the government. It proposes to abolish the possibility of reelecting constitutional justices, but at the same time proposes a moderate increase in the justices' tenure.

[Box, p 71]

Expensive Paper

At the moment there are two constitution drafting workshops in Budapest: one under the aegis of the Justice Ministry (IM), the other in parliament. In 1994-95, the constitution drafting secretariat of the IM, led by the 43-year-old jurist Laszlo Lakatos, had a budget of a total of 85.5 million forints [Ft]; of this, Ft33.6 million were earmarked for wages, Ft11.2 million for social insurance contributions, and Ft40.5 million for material expenses. From the aforementioned sum, the ministry paid

for the more than 100 expert studies (among them, Andras Bragyova's monograph entitled "The Draft of the New Constitution," which has since been published independently), for which the ministry asked the Institute for Law and Political Science of the Hungarian Academy of Sciences to contract with the researchers. Incidentally, although the Justice Ministry completed the draft of the new constitution by March of last year with the contribution of the eight researchers invited by Minister Pal Vastagh (Hanna Szego Bokor, Marta Dezso, Istvan Gyorgy, Janos Sari, Istvan Somogyvari, Gyorgy Szoboszlai, Albert Takacs, Gyorgy Wiener), the constitution drafting secretariat of the IM continues its operation, but its 1996 budget has not been published; according to a conservative estimate, the budget of this department might be as much as Ft10 million.

The parliament, the 25-member constitution drafting committee of which was formed last June, received Ft10 million in 1995, and Ft40 million this year for expenses in connection with the constitution. The members of parliament involved in constitution drafting receive a monthly "supplement" of Ft35,000, 40 percent of the basic salary of representatives. The entire budget of constitution drafting will depend considerably on when the codification will be completed. At any rate, it seems to be certain that the most money will be spent on the eventual referendum, if it takes place at all. The "cost" of the referendum was estimated in 1995 to be Ft1 billion; considering the extent of inflation, in 1997 it might be as much as Ft1.5 billion.

[Box, p 72]

The Fourth Script

The coalition agreement concluded on 24 June 1994 between the MSZP and the SZDSZ stipulated that a referendum must be held on the new constitution by August 1995. Statements to the press did not leave any doubt that the governing parties (especially the SZDSZ) wanted to dictate a fast tempo so that the presidential election due in August 1995 could take place according to the new constitution (HVG, 10 September 1994). The coalition agreement also proposed that the National Assembly elect a 27-member standing committee for the preparation of the constitution (the MSZP would have received 12, the SZDSZ 5, and the four opposition parties altogether 10 slots), and the body would be under the leadership of the justice minister.

Barely two weeks later, on 8 July 1994, the Horn Government program, formulated somewhat more vaguely, declared that the new constitution must be approved by a referendum in the second half of 1995. In the follow-

ing month, another document provided for the drafting of the constitution: According to Executive Order 2078/1994, the referendum on the constitution must be held by 10 December 1995. The law that determined the step-by-step timetable of the codification gave 30 April 1995 as the last deadline for the parliamentary vote on the draft of the new constitution, and 30 October 1995 as the deadline for the vote on the text of the law.

In contrast, at this moment the National Assembly is 14 months late. The delay was caused primarily by the wrangling over the formation of the constitution drafting committee. The body headed by MSZP-member Zoltan Gal was only able to form on 17 June 1995, rather than 29 August 1994; that is the time by which the coalition fulfilled the demands of the opposition. In the committee, which in the end was composed of 25 members, four members from each parliamentary group, and led by the speaker of parliament, the proportion of representatives from the governing parties to those of the opposition became 9:16 as opposed to the originally envisioned 17:10. The members of the committee are: The Socialists Dezso Avarkeszi, Mihaly Bihari, Balazs Csakabonyi, and Laszlo Csizmadia; the Free Democrats Alajos Dornbach, Peter Hack, Miklos Hanko Farago, and Istvan Szigethy; the then-members of the parliamentary group of the MDF Imre Konya, Katalin Kutrucz, Laszlo Salamon, and the still-MDF-member Istvan Balsai; the Smallholders Janos Homoki, Agnes Maczo G. Nagy, Miklos K. Csontos, Jozsef Torgyan; the Christian Democrats Miklos Gaspar, Tamas Isepy, Gyorgy Rubovszky, Laszlo Varga, as well as the Young Democrats Janos Ader, Tamas Deutsch, Jozsef Szajer, and Zoltan Trombitas. The addendum to the House Rules last June, Parliamentary Decision No. 62/1995, declares that the body operates on the basis of a five-party consensus, and the Socialists have veto power. In every case in which a five-party consensus is absent, or the MSZP interposes its veto, based on the House Rules and in the spirit of conservative constitution drafting, the current text of the constitution remains in force. (When we went to press, it seemed likely that after the MDF split and the appearance of the Hungarian Democratic People's Party [MDNP] the rules would be adjusted so that the agreement of six of the seven parliamentary groups would be necessary to accept a text variant.)

According to the parliamentary decision of last June, which outlined the third script of the draft constitution, the committee had to strive to prepare its proposals regarding the basic principles of the law by 31 December 1995, and nine months after its approval put the com-

pleted draft of the text to discussion. However, the draft constitution the committee started to prepare last summer (the committee did not adopt the draft constitution completed by the Justice Ministry in March 1995) was completed only after another three months of delay, by 28 May 1996, and thus parliament is practically on its fourth constitution preparation timetable. According to

the latest ideas, based on the government's position of 10 May, parliament should pass the draft by 30 June of this year. If this is successful, the constitution drafting committee, in terms of the parliamentary decision mentioned above, would have to produce the standard text divided into articles at the latest by 30 March 1997.

B-H: Muratovic on Meeting With U.S., World Bank Officials

LD1707214496 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 17 Jul 96

[FBIS Translated Text] After numerous meetings, talks, and news conferences, Prime Minister Hasan Muratovic made a statement for our colleague Envera Selimovic:

[Begin Muratovic recording] We raised three issues with officials in the U.S. Administration: economic reconstruction, the formation of institutions in the federation, and the elections, or rather the civilian part of the Dayton agreement.

A group of senators have initiated a resolution that demands the reintroduction of sanctions against Serbia pending the hand over of war criminal Karadzic. The resolution also demands that other measures are taken that would make it easier to hold the elections.

We devoted the most attention, of course, to economic reconstruction. We demanded that U.S. aid be speeded up and that, possibly, one tranche of the aid scheduled for next year be switched to this year. We had only one meeting with the World Bank this morning, and we have just had another now, late this afternoon, with [World Bank] President Wolfensohn, who is a true friend of Bosnia-Herzegovina.

Unfortunately, over the past few days we have had a big problem with a \$100 million loan which is part of a sum earmarked for the budget of Bosnia-Herzegovina and the budget of the federation. Matters have become complicated because we failed to carry out some obligations, but also because some demands by the World Bank could cause damage if implemented in the way the bank is demanding that we implement them.

I hope that we have done a good job of work today. The [World] Bank's board will certainly consider our new suggestions and I expect this problem to be resolved. [end recording]

B-H: Sarajevo Newspapers Report Regional Developments

96P20459A

[FBIS Report] The following items on regional developments in the Republic of Bosnia-Herzegovina are drawn from periodicals published in this republic.

Jajce Mayor Replaced

The mayor of Jajce municipality, Nikola Bilic, was dismissed about 10 days ago. This function is now carried out by Ivo Saraf. According to nonofficial news

circulating in the Central Bosnian canton, Bilic was removed because he was too "soft" in negotiations with the Bosniak side. Namely, during his time in office, 118 Bosniak families returned to Jajce. According to the Dayton agreement, 200 families were supposed to return. Before his dismissal, unknown individuals set explosives under Bilic's car and in his coffee house and store. [VEČERNJE NOVINE 5 Jun 96 p 5]

Construction of Islamic Center

Construction of the Islamic Center started last week in Zivinice. During the first phase of the work, which will last for about three months and which will be carried out by the Gradnja DD firm in Zivinice, a shelter will be built, which, based on the type of the material that will be used, will be an atomic shelter. The shelter, in addition to its central part, will have 16 rooms. After this phase, a second phase of the plan will be started and residents will be informed in a timely fashion on how to contribute to the construction of the center. [VEČERNJE NOVINE 4 Jun 96 p 10]

JUL Representatives Visit Tesanj

Last week, a meeting of representatives of local opposition parties and representatives of the "left bloc" from Doboj and Teslic, towns in the Serb entity, was held in Tesanj, the Croat-Muslim Federation. This was intended to reciprocate for a recent visit to Doboj by Zoraid Mehicic, leader of the Union of Bosnia-Herzegovina Social Democrats [UBSD], who was the first to break the ice in the contacts. The meeting was held in the Party of Democratic Changes [SDP] facility in Tesanj, because the UBSD still does not have its own quarters, and the partners in the talks were representatives of the Yugoslav United Left [JUL] for the republic of Srpska. This is the branch of the Serbia's JUL, whose president is theater director Ljubisa Ristic, but whose "real" leader is Mirjana Markovic, wife of Serbian President Slobodan Milosevic. The conditions under which JUL operates in the republic of Srpska are best illustrated by the fact that JUL, whose president in Doboj is Mile Ivosevic, is operating semi-illegally, and the media was asked not to mention the names of those who came to Tesanj. However, according to Mehicic, JUL is not without a chance in the elections, because, allegedly, the extremist current of the Serbian Democratic Party [SDS] has only strong bases left in Doboj, Teslic and Prijedor. The biggest problem for the JUL is its complete lack of access to the media. This is why the newspaper ALTERNATIVA was started in Doboj. Its editor is Milovan Stankovic and its editorial staff includes Pavle Stanisic and Osman Kikic. [VEČERNJE NOVINE 4 Jun 96 p 10].

Sarajevo Firm's Contracts With Libya

Energoinvest's branch for long distance power lines in Sarajevo has signed a \$8.5 million contract with its joint venture company Elpco in Libya for the design, delivery of equipment and construction of a 33 kilowatt, 150 km power line. In the next few days, another contract, valued at \$15 million, is to be signed with Gecola, a Libyan electric power company, for the design, delivery of equipment and construction of a 66 kilowatt, 200 km power line. This is the first postwar engineering contract abroad concluded by Energoinvest's branch for long distance power lines. The contract represents a great success for the firm and marks its return to the world market, where it was one of the three largest companies engaged in the production of long distance power lines before the war. [OSLOBODJENJE 7 Jun '96 p 6]

B-H: Kuwait Agrees To Fund Infrastructure Reconstruction

AU1607120296 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 16 Jul 96

[FBIS Translated Text] Mirsad Kikanovic, finance minister of the Republic of Bosnia-Herzegovina, and (Devid Erzuledi), director of the Kuwaiti Fund for Arab Economic Development, signed in Sarajevo today a memorandum on cooperation. It provides for the allocation of the Fund's resources for reconstruction in Bosnia-Herzegovina. The Fund has resources totaling about \$7 billion and, according to the memorandum signed, a part of these resources will be invested in the reconstruction of the infrastructure in Bosnia-Herzegovina. It is also planned to repair four roads and the demolished bridge in Mostar. Also approved was the financing of four projects to provide water supplies in Cazin, Srebrenica, and Sarajevo, including [word indistinct] study on and projects for reconstructing the water and sewerage network in the Sarajevo region.

Ejup Ganic, member of the Presidency of the Republic of Bosnia-Herzegovina and vice president of the Federation, today described the signing of the cooperation memorandum with the Kuwaiti Fund for Arab Economic Development as a sign of Kuwait's readiness to play a considerable role in the reconstruction of Bosnia-Herzegovina. In a statement for BH PRESS today, Ganic said that he expects that more than \$20 million from the fund will very soon become operational and be made available to the Bosnia-Herzegovina Government. These are very powerful people who know what to do with the huge resources they possess.

Today's signing of the memorandum between the Bosnia-Herzegovina Government and the Kuwaiti fund is a result of Ganic's recent visit to Kuwait when

Bosnia-Herzegovina was given \$50 million by this friendly country.

Naim Kadric, the Republic's ambassador to Kuwait, announced a significant expansion of bilateral cooperation between Bosnia-Herzegovina and Kuwait.

B-H: OSCE Extends Deadline for Voter Registration

AU1607182996 Paris AFP in English
1816 GMT 16 Jul 96

[FBIS Transcribed Text] Sarajevo, July 16 (AFP)—The Organisation for Security and Cooperation in Europe (OSCE), which is in charge of preparing Bosnian elections on September 14, Tuesday extended a deadline for voter registration. The deadline was pushed back from July 19 to July 31, the OSCE announced.

"This decision was taken in order to allow voters more time to register for the upcoming elections and to give more people a chance to voluntarily exercise their right to vote," the OSCE explained.

The Bosnian government warned last week that the July 19 deadline would give too little time to around one million Bosnian refugees living abroad to get registered.

B-H: Bosnian Serb Official Threatens To Kill UN Police

AU1807095796 Paris AFP in English
0952 GMT 18 Jul 96

[FBIS Transcribed Text] Sarajevo, July 18 (AFP)—A senior Bosnian Serb official has warned that UN police will be captured and killed if indicted war criminal Radovan Karadzic is arrested, a UN official said Thursday.

According to the mayor of a Serb held town in northern Bosnia, "all UN police monitors will be captured and killed immediately" if Karadzic is arrested, UN spokesman Alexander Ivanko said.

The warning was made to a UN civil affairs officer by the Serb mayor of Ugljevik, Miladin Stefanovic, a "well-known hardliner," according to Ivanko.

Ivanko called the threat, the latest in a string of similar warnings, "outrageous." He said that security arrangements for the estimated 800 UN police in Serb-held Bosnia were being reviewed with commanders of NATO's peacekeeping force IFOR.

B-H: Plavsic Wants All Serbs in One Country

AU1807091096 Novi Sad DNEVNIK
in Serbo-Croatian 14 Jul 96 p 5

[Interview with Biljana Plavsic, acting president of the Serb Republic, by Stevan Risovic; place and date not given: "The Serb Republic Will Retain Its Statehood"]

[FBIS Translated Text] Due to the pressure of the international community, which had threatened to impose new sanctions on the Serb Republic and the FRY [Federal Republic of Yugoslavia], Radovan Karadzic had to resign and transfer his presidential functions to the vice president of the Serb Republic, Biljana Plavsic. Karadzic will also not turn up on the list of presidential candidates of the SDS [Serbian Democratic Party], because the party's Main Committee has named Biljana Plavsic as the presidential candidate. Biljana Plavsic spoke to DNEVNIK about this, the implementation of the Dayton agreement, the elections, and relations within the Bosnia-Herzegovina union.

[Plavsic] The SDS Main Committee's decision was not made suddenly. This issue was discussed for three days. The persons that are on the SDS election candidates list were also discussed. I see this as a patriotic act and a great obligation to live up to my people's hopes. The people, I am convinced, are firmly determined to keep the Serb Republic. Maybe some are even expecting Biljana Plavsic to be a turning point, for example, in foreign affairs, to bring about some changes, since whenever a new personality arrives, one expects certain changes, at least the press does. Regarding the overall politics, there will be no changes! There will not be, because politics in the Serb Republic—both internal and external—are not channeled by a single person, but they are created in the Serb Republic Assembly.

[Risovic] They say that you represent the SDS hard line.

[Plavsic] I am neither tough nor do I give in. I am a person of principles who does not easily change her own position. I am, perhaps even too much, for the Serb cause and for the Serb national interests, for which I will fight wherever I have a chance to. What a shame that the Serbs were not able to define their national interest in 1914. Had they known how to do so then, what had happened in 1914, 1941, and in 1991 would not have happened to us. These are moments of destiny for the entire Serb people, and if we now give in to narrow ideological interests, while neglecting the national interests of the Serb people, then we will pass judgment upon ourselves.

[Risovic] What are the national interests of the Serbs?

[Plavsic] They are of a complex nature, and I was not sent by God to define them myself. However, I know

that the basic, fundamental, one, and that is, without a doubt, for Serbs to live in one state. Why should only the Serbs be divided, separated, that this nation, however small, but spiritually great, be split up into a number of countries. We must all strive toward this sacred goal, whether we are members of one or the other party.

[Risovic] A few days ago the Assembly of the Serb Republic made the decision to found a Senate, or a council, or a soviet. Is this a "council of the wise old men," which would weigh every decision made by the government, or a kind of advisory body which would actively participate in making important state decisions?

[Plavsic] This is a purely advisory body. The government, as well as the Serb Republic Assembly, will be able to take the body's opinion into consideration, but it will not need to. Therefore, this is not a kind of parallel government, as some people think it is. Learned Serbs, not only from the Serb Republic will be in the Senate, but also those from the FRY and from abroad. Patriot Serbs, who have proved their patriotism with their work, and not by declaring it. The Senate will deal with large national issues, for example, the relations between the Serb Republic and the Muslim-Croat Federation. Well, let us not be prejudiced toward matters. The decision regarding the formation of such an advisory body has just only been made, although I myself—this is the first time I am mentioning this publicly in a newspaper—suggested that an advisory body be established already one or two years ago, at the sessions of the Serb Republic Assembly. However, during this war, which has been imposed [nametnuti] upon the Serb people, we have not had the time for a pause, people worked more or less on the go, and now, finally, we can work in peace.

The Retaining of Statehood

[Risovic] You said that the Dayton agreement is a painful compromise solution for the Serb Republic. A solution which, apart from the number of things that are not mentioned, also has its advantages.

[Plavsic] Nothing is ideal, so one cannot say that any agreement is ideal. The Dayton agreement, when read for the first time, looks perfect, but when you read it carefully the second time, it is easy to notice its weaknesses, which are seen as the ambiguity on certain positions and the things that are not mentioned. This is seen right now, since the implementation of the civil part of the Dayton agreement is going ahead slowly exactly because of these shortcomings of the agreement. However, the greatest advantage of the Dayton agreement is that it has brought peace. Peace really has no alternative, and only now are we aware of how necessary it is for us. There is no problem that

cannot be solved through the battle of opinions, with diplomatic means. It is true that we have an extremely hard fight ahead of us on the diplomatic level, so that we retain what the Dayton agreement has given to us, and it has given us an important degree of the statehood of the Serb Republic.

[Risovic] How is the statehood of the Serb Republic to be retained, if the future Bosnia-Herzegovina union is to be an umbrella under which both the Serb Republic and the Muslim-Croat federation will have to find space?

[Plavsic] I emphasize that it will be difficult, but if we are wise and clever, if we are courageous and persistent, we will succeed. It is true that the Bosnia-Herzegovina union will partially violate the statehood of the Serb Republic, but to the same extent also that of the Muslim-Croat federation. We can gain benefits from this Bosnia-Herzegovina union, and I am primarily thinking of the economic component. We must only not permit to be pulled into a unitary, sovereign, and indivisible Bosnia-Herzegovina, like the one that [Republic of Bosnia-Herzegovina Presidency President] Alija Izetbegovic hopes for, because it is even clear to a child what would happen to us in that case. We would soon be proclaimed a second class nation, and the Croats would meet the same fate, and in a few centuries the Serbs would disappear.

[Risovic] The Bosnia-Herzegovina union will have united institutions of authority: the presidency, the assembly, it will have a central bank, it will have a ministry of foreign affairs. How independent will the entities in this union be?

[Plavsic] That which makes life what it is, that is, education, the health services, the economy..., will be of the entities. The entities will have their armies, their police, their national and state symbols (the coat of arms, the anthem). They will have enough that we, in the Serb Republic, and the Muslims and the Croats in the Federation, will be able to organize our life and existence. The Serbs have a certain advantage, because they will be taking care of themselves, and in the Federation, as you know, there are the Muslims and the Croats. It will be difficult, difficult for them to maintain themselves in that artificially created state.

[Risovic] The elections in Mostar have proved that in a way. The international community wanted to set up the reintegration of Bosnia-Herzegovina based on the example of Mostar, but instead of a united Mostar, the division in Mostar has been legalized through the division of authority.

[Plavsic] If the international community wanted to, and it did, set up an united Bosnia-Herzegovina on the

basis of Mostar, it received disastrous results. A divided Mostar is a bare reality which must be accepted, whether anyone wants to or not. A divided Bosnia-Herzegovina is also a reality that must be accepted. The international community stopped a war, and that is a great thing. However, every attempt to bring matters back to the beginning would lead to the starting of a new war. The forthcoming elections in former Bosnia-Herzegovina are an occasion for strengthening the Serb Republic, in order for it to retain its degree of it her.

Making Decisions in the Union

[Risovic] You mentioned the elections; which forces do you think have the greatest chances—the left of the right?

[Plavsic] The main fight for the grace of the voters will be fought between the left and the right. If this was a matter of France, Spain, Italy, countries that were nationally formed long ago, it would be all the same as to which forces won—the left or the right. That is because neither one nor the other touch the national interests. In these countries no one even thinks that the interests of a certain party or group would supersede national interests of the country. I often ask myself the question as to how to oppose some kind of nationalism if it is pressuring you, threatening you, and I do not find any other answer than to oppose the nationalism with your own nationalism. In the former Bosnia-Herzegovina, the SDA and the HDZ were the first to be formed; two expressive national parties of the Muslims, that is, the Croats. So the forming of the SDS was the logical answer to the appearance of these nationalistic parties. That is why I believe that the so-called right parties will win at these elections, and at some future elections it will not be as important as to which forces win.

[Risovic] In the Bosnia-Herzegovina union it will be difficult to protect the Serb national interests, since the ratio between the Federation and the Serb Republic is 2:1. There therefore does exist the possibility that the Serbs be outvoted in the united House of Representatives and in other institutions.

[Plavsic] I believe that such a possibility does not exist, because the Dayton agreement foresees that each side can, by activating certain mechanisms, use the veto and protect its interests. The Muslims and the Croats will not be able to form a coalition and make decisions by outvoting others. We are not running away from the Bosnia-Herzegovina union, because we can, and we have to, find a certain interest within it. But our long term determination, our final goal, is for all Serbs to live in one country. The French have their own country, the

Germans have it, the Italians, the Spaniards, so why should the Serbs not have one?

B-H: BETA Sums Up Efforts To Remove Karadzic
AU1807092296 Belgrade BETA in English
11-17 Jul 96

[FBIS Transcribed Text]

Increased Pressure Upon Karadzic—Pale Unwilling To Accept Resignation

The Popularity of the Bosnian Serb Leader on the Rise

Last week the International War Crimes Tribunal in the Hague issued an international warrant for arrest after the leader of the Bosnian Serbs, Radovan Karadzic, and the Serb military commander, General Ratko Mladic. Thus, the circle around them is narrowing, as now all governments, the Yugoslav and the RS [Serb Republic] Governments included, are formally obliged to arrest them and deliver them to the Hague.

Immediately after the Tribunal's decision, the international community has enhanced its campaign of pressure upon Belgrade and Pale hoping to finally achieve Karadzic's withdrawal from political life. The campaign has culminated on July 17, when the former U.S. peace mediator and one of the Dayton Accord's architects, Richard Holbrooke, visited Belgrade.

The State Department's spokesman, Mike McCurry said at a press conference in Washington on July 16 that Holbrooke is leaving for his Balkan tour to deliver to Serbian President Milosevic "very directly the message, a very tough message," that those two Serb leaders in Bosnia should be "put aside."

McCurry also said that the moment is "very critical," adding that Holbrooke has at his disposal "effective tools" to achieve his objective.

Holbrooke came to Belgrade from Sarajevo, and said after his talks with Milosevic that "no progress has been made." He announced that he will return to Belgrade on Thursday, after his meeting in Zagreb with Croatian President, Franjo Tudjman, and after additional consultations with Washington.

Holbrooke's action was well-coordinated with the U.S. European allies. Last week Belgrade was also visited by the new EU President, Irish Minister of Foreign Affairs, Dick Spring, and the European Commissioner, Hans Van den Broek, who have also requested from Milosevic to exert additional pressure and remove Karadzic from political life before the September 14 elections in Bosnia.

On July 15, at a session of the EU Ministerial Commission, Van den Broek said that Serbian President had promised to discuss the subject with the Bosnian Serbs, but added of having received no information whether Milosevic had acted as promised.

On Monday, July 15, the head of the OSCE Mission for Bosnia and Herzegovina, Robert Frowick, said that Karadzic has to be removed from power by the end of the week if the Serbian Democratic Party (SDS), which is headed by Karadzic, wishes to take part in the forthcoming elections.

"If Karadzic remains the SDS president after July 19, the party is at a risk to be excluded from the elections," Frowick said in Sarajevo.

Karadzic has formally transferred his presidential prerogatives to the RS vice president, Biljana Plavsic, on June 30, but was elected president of the largest and the most influential political party of the Bosnian Serbs, the Serb Democratic Party (SDS). He is required now to leave this position as well, but Pale would not accept it. However, Frowick said that the pre-election campaign cannot start before Karadzic stepped down from the position of the SDS president as well.

Milosevic

Thus, Serbian President Milosevic, who is believed to have means for Karadzic's removal, has once again found himself exposed to strong international pressure. Well-informed sources in Belgrade say, however, that Milosevic expressed to Van den Broek his disagreement over the prospective ban on the SDS's participation in the elections, but refrained from showing direct support of the Bosnian Serb leader. It is alleged that Robert Frowick was also informed of such Milosevic's position.

The head of the OSCE Mission for Bosnia also met with Milosevic last week and requested Karadzic's removal. Later on he left for Pale where he met with the Bosnian Serb leadership and said that the voters in the Republic of Srpska (RS) are free to vote for whom they please, the SDS included. Among the Bosnian Serbs his statement was interpreted as a sign that the international community has abandoned its request for Karadzic's resignation before the elections.

However, in the beginning of this week, shortly before Holbrooke's arrival to Belgrade, Frowick renewed his threats regarding a possible exclusion of the SDP from the elections. The U.S. estimates that Holbrooke's visit could result in Milosevic giving guarantees that Karadzic would be removed from political scene in Bosnia.

The EU continues to cling firmly to its position that Karadzic should be removed from all his positions. At their meeting of July 15 in Brussels, the EU ministers concluded that the "existing situation with Radovan Karadzic and Ratko Mladic is untenable," but failed to reach a consensus on a wide campaign for their arrest and extradition to the international Tribunal in the Hague.

The ministers "have discussed relations with the FRY within the context of the implementation of the Dayton Agreement," sources close to the session say. Essentially, it means that the possibility of reintroduction of the sanctions is considered, if Belgrade refuses to cooperate in the case of Karadzic and Mladic.

Brcko

On the eve of Holbrooke's arrival to Belgrade, on July 15, the Yugoslav Ministry of Foreign Affairs issued an announcement expressing its concern over the fact that the RS has failed to appoint its representative to the Arbitration Committee for Brcko. It was an attempt on the part of Belgrade to show some good will for cooperation with the international community. In this document Belgrade once again accused the RS leadership of undermining the peace process in Bosnia.

Brcko is a city in Northern Bosnia through which the eastern and the western parts of the Republic of Srpska are connected, and in which before the war the Muslims were a majority population. The city is under Serb control, while according to the Dayton Accord the international arbitration is to decide its fate. The Serb side is unwilling to yield the control over Brcko to the Muslim-Croat Federation, convinced that by having the connection between the western and the eastern parts of the RS thus broken, the Serb entity in Bosnia would cease to exist.

In its announcement the Ministry has strongly criticized the RS government for its refusal to appoint its representative of the Arbitration Committee, adding that such a decision is "detrimental to the interest of the people and the citizens of the RS."

The RS leadership shows a rather unyielding position regarding the issue of Brcko and is unwilling to start negotiations before the subject of the negotiations is precisely determined. Namely, Pale is of opinion that the control over the city cannot be the subject of negotiations, and that only the establishing of borders in the Brcko wider region should be on the agenda. On its part, however, Belgrade is saying that the negotiations and the arbitration should be proceeded with regardless the vagueness of their subject, though

it is itself unwilling to have the Serb side lose control over Brcko.

Despite Ministry's announcement, Pale remained firm in its decision to abstain from sending its representative to negotiations before the subject of the arbitration is fully determined. Vitomir Popovic, an official appointed earlier by the RS Government as a RS representative in the Committee, repeated on July 16 that the RS cannot take part in negotiations over Brcko yet, adding that the city itself cannot be the subject of arbitration. He confirmed that on July 13 he sent a letter explaining the RS position to the high representative for Bosnia and Herzegovina, Carl Bildt.

Pale

The Bosnian Serb sources say that Karadzic still has control over the RS political situation and is enjoying full support of his closest collaborators, Parliament's Speaker, Momcilo Krajisnik, Minister of Foreign Affairs, Aleksa Buha, the acting RS President, Biljana Plavsic, and others. The same sources claim that Karadzic is free to move throughout Bosnia despite all IFOR checkpoints and patrols, and that last week he even managed to come to Banjaluka.

The campaign launched against him has significantly improved his rating among ordinary people. Quoting the mood of the population in general, observers in Pale and Banjaluka estimate that Karadzic's popularity has soared in comparison with the last spring, when he was strongly and openly criticized of standing behind financial machinations in Bosnia.

In the eyes of the Bosnian Serbs, Karadzic is gradually becoming a martyr, a person unjustly exposed to the pressure of the whole world. The RS media, which are under the strong government control, are interpreting the pressure as a wish of the international community "to destroy the Serbs in Bosnia," and to force them to surrender and submit to the Muslims and the Croats. Karadzic is thus becoming a symbol of the opposition to such attempts, a person who is unjustly "suffering for the Serb cause."

According to sources close to the Bosnian Serbs, for the time being Pale seems unwilling to even think about Karadzic's stepping down from his top position in the SDS. However, there is a possibility for a change in Pale's standing regarding Brcko. Namely, it seems that the RS representative in the Arbitration Committee will start taking part in negotiations even before the subject of the arbitration is precisely defined.

The deputy high representative for Bosnia, Michael Steiner, visited Pale on July 15 probably in an attempt

to deliver the "last message" concerning Karadzic. He met with the Parliament's Speaker, Momcilo Krajisnik, and Minister of Foreign Affairs, Aleksa Buha, behind closed doors.

After the two-hour talks neither Steiner nor his hosts were willing to make any comments. In other words, no agreement has been reached and the RS leadership has proved unwilling to alter its position regarding Radovan Karadzic.

B-H: IFOR Denies Russian-Sponsored Deal for Karadzic Asylum

AU1807135096 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 18 Jul 96

[FBIS Translated Text] At today's news conference at Implementation Force [IFOR] headquarters in Sarajevo, correspondents asked Colum Murphy, the high representative's spokesman, whether he was acquainted with the reports carried by some media according to which the authorities in Belgrade, Zagreb, and Sarajevo—under Russia's auspices—have reached an agreement to allow Radovan Karadzic the possibility of leaving the Serb Republic and obtaining asylum in Greece or Cyprus.

There is no such agreement. That is just speculation. The international arrest warrants issued by the Hague tribunal oblige every UN member state to arrest Karadzic and Mladic if they are caught on its territory. According to international law, that is a legal obligation binding to every state, Murphy said.

The correspondents were also interested in Murphy's comment on yesterday's statement by Russian Foreign Minister Yevgeniy Primakov that the Hague tribunal is biased and partial, since Carl Bildt is having talks with Primakov in Moscow today.

We discussed it this morning, and I think that some statements by Minister Primakov have been misinterpreted. He is not exactly delighted with the idea of Karadzic's arrest since he believes that this could cause problems.

B-H: Commentary: U.S. Army Preparing To Arrest Karadzic

AU1507065696 Sarajevo LJILJAN in Serbo-Croatian 10-17 Jul 96 p 36

[Commentary by Adisa Busuladzic: "Replay of the Spectacle From the Film 'Delta Force' Is Expected"]

[FBIS Translated Text] Last Saturday, as Admiral Leighton Smith, commander of NATO forces in Sarajevo, said that he had "no intention of terrifying Karadzic or arresting him" because his superiors had not given him such orders, on the same day

signals came from Washington that such an order is about to be issued. Right after its biggest holiday, 4 July, the Independence Day of the United States, it [Washington] finally concluded that Serbian President Slobodan Milosevic had no intention of fulfilling his promises and removing Karadzic and Mladic from power, so it decided to take care of it itself. That is why in Washington all feasible options are still being considered, among which the military one has been attracting increasing number of fans. The European allies, who still clearly oppose the idea, after the humiliating failures of their representative Carl Bildt to do something in that respect by diplomatic means, have simply run out of adequate counter arguments and they obediently turn their heads towards the United States, which, pressured with the deadline of elections, both its own and the Bosnian ones, has most interest in ending this thing as soon as possible. It concerns a period of the next two weeks.

Last week's media reports from The Hague, where new incontestable evidence on horrifying crimes committed on the orders of Karadzic and Mladic were brought to light, prompted too loud an alarm among U.S. public opinion, which Clinton's administration could no longer ignore. Everybody is aware of the risks that the operation to arrest Karadzic or Mladic brings, but, interesting enough, these are no longer taken as the main reason for inaction, but as a unavoidable side effect similar to the post-operative pain that patients have. "In the first few days after the operation, the pain does not stop and you wonder why you have let yourself in for all that. But, as soon as the pain is gone, you realize that everything was worthwhile," one of the officials said, commenting on the high risk of such a military operation. The possible casualties that could be caused by the arrest of Karadzic—principally him, since it is far more difficult to get hold of Mladic—have, it seems, already been calculated, together with the number of medals that President Clinton will give out and the number of positive and negative points that he will get in the election for a new term. It may be somewhat unfair and hasty to talk about possible casualties. It should be remembered that last year's operation to rescue the downed pilot Scott O'Grady was carried out spectacularly well and without any consequences and there, as the advocates of Karadzic's arrest and those who know the Pentagon's potential say, U.S. commandos were exposed to a much bigger risk, for the simple reason that it all happened during a war situation, than they would be now in hunting down Karadzic.

NATO commanders have made known that they have drastically increased the number of patrols over and

around Pale. They say that aircraft and helicopters are constantly buzzing over Karadzic's head.

The whole world has for a long time now been expecting the Americans, the producers of "Delta Force" and other action films in which, with the help of Chuck Norris, Kurt Russell and the like, they have glorified the myth of the invincibility of the U.S. Army, to do something similar in reality as well. If not for the sake of maintaining the Hollywood myth, then for the sake of the old truth that justice is slow, but achievable. That knowledge has forced Washington into action. "Let's get down to business," the Americans have said and have started hunting for Karadzic. How everything will go and, most important, how it will end—this you will be able to watch on your television screens in not more than 15 days, the dispensers of U.S. military power have said. Perhaps a little later, perhaps not until after the elections in Bosnia, but certainly before the elections in the United States. All we can do is hope for a better scenario. For example the one from "Delta Force": The Mafia boss gets arrested and then he pays for everything with his head.

B-H: Arkan: Karadzic Arrest, SDS Election Ban 'Undemocratic'

AU1707152696 Belgrade BETA in Serbo-Croatian 0930 GMT 17 Jul 96

[FBIS Translated Text] Jagodina, 17 Jul (BETA)—Zeljko Raznatovic Arkan, president of the Party of Serbian Unity [SSJ], today assessed that a forceful arrest of Radovan Karadzic and General Ratko Mladic would be an unfounded and an undemocratic act. The Dayton accord would be dead if the suggestions of the international community representatives that President Karadzic be eliminated from the political scene by military force materialize, Raznatovic told Radio Jagodina.

"The international community would negate the document passed in Dayton if it tried to arrest President Karadzic and General Mladic by force. Their arrest would not only be an unfounded act, because they are not war criminals, but this method would be absolutely undemocratic," the commander of the Serbian Volunteer Guard emphasized.

He added that banning the participation of the Serbian Democratic Party [SDS] in the September elections in the Serb Republic would be an undemocratic act.

Raznatovic assessed that "the Muslims and the Croats do not care about peace and democracy, and they are seeking a new cause for a war via Karadzic."

"Ultimately, the U.S. assistance to the army of the Muslims and the Croats worth \$400 million supports this," Raznatovic said.

He assessed that "the latest statements by the individuals" that the SSJ and the Serbian Radical Party should be banned from participation in the forthcoming elections "are a far cry from the democracy that the West is propagating," and stated that the SSJ has nearly 500 local and 51 municipal committees in the Serb Republic.

Zeljko Raznatovic Arkan, in today's statement to Radio Jagodina denied, being in Pale and sustaining injuries in an attempt to arrest Radovan Karadzic.

This was a fabrication launched by the Socialist Party of the Serb Republic as a part of its electoral campaign, Raznatovic said.

B-H: Serb Opposition Leader Condemns Hague Court

LD1707152696 Belgrade SRNA in Serbo-Croatian 1430 GMT 17 Jul 96

[FBIS Translated Excerpt] Belgrade, 17 Jul (SRNA)—Predrag Radic, chairman of the Democratic Patriotic Bloc [DPB] and candidate for president of the Serb Republic in the forthcoming elections, said in Belgrade today that by indicting Serb leaders, the Hague tribunal is trying to indict the whole Serb nation.

"Those who issued the indictment against Dr. Radovan Karadzic, president of the Serb Republic, and General Mladic, commander of the Bosnian Serb Army, have no evidence," Radic said at a news conference.

He said that "the cases of Gen. Djukic and Colonel Krsmanovic and the farce over Goran Lajic, and especially the failure to recognize crimes committed against Serb civilians, strengthens the distrust of the Hague tribunal among the Serb people."

"The bodies of 187 killed Serbs were exhumed from a mass grave near Mrkonjic Grad, but this did not stimulate anyone to issue an indictment against those who organized this crime," Radic pointed out.

Evaluating the chances of the DPB in the September elections, Radic said that "it is difficult to predict results when the electorate is as ill-defined as it is in the Serb Republic."

"In the Serb Republic there are no longer any social strata. Everything is mixed together and has one name—poverty," he explained. [passage omitted]

"As a bloc of the political center, in national terms the DPB is slightly on the right, while in social terms it is

more on the left," Radic said, and announced three basic points in the program of the bloc which he leads.

These are, he said, that the Serb national question in the former Bosnia-Herzegovina will be resolved depending on the extent to which the Serb Republic is a state; that the statehood of the Serb Republic should be completed; and that unification with the Federal Republic of Yugoslavia should be achieved.

According to him, the DPB standpoint is that "special links," a notion contained in the Dayton agreement, should be implemented in the same way as the Bosnian Croats have done.

"This same right also belongs to Serbs in the Serb Republic," Radic said categorically.

Asked what the DPB standpoint is on the possible exclusion of the Serb Democratic Party (SDS) from the elections, Radic said "we have not yet had time to consider this situation."

"As regards our aims, we differ only slightly from the SDS, but in our methods we have a different approach," Radic said. [passage omitted]

B-H: Mladic Says 'Only My People Can Judge Me'

MS1707115996 London THE DAILY TELEGRAPH
in English 17 Jul 96 p 13

[Report by Julius Strauss: "Mladic the Bee-Keeper Still Carries a Sting"]

[FBIS Transcribed Text] In the mountain village of Bozilovici, where he grew up, Gen Ratko Mladic is the darling of the people. Mothers still urge their children to study hard so that they can "grow up and be like Ratko."

Jovo Mandic, 70, said he could not understand why the world condemns Gen Mladic. He said: "Ratko is a great man, great enough to command any army. He saved us from the balijas [a derogatory term for Muslims. If they arrest him they should arrest all of us."

It is a view that bears out the findings of a United Nations-sponsored opinion poll earlier this year, that 93 per cent of Bosnian Serbs approve of Gen Mladic. Today, the general lives in a heavily guarded military complex 40 miles north-east of Sarajevo.

He is scornful of the charges made by the international community, which last week issued a warrant for his arrest. "Only my people can judge me," he said.

Occasionally he inspects his troops. He was seen at the end of June in the Bosnian Serb military capital Han Pijesak.

Meanwhile, in the military complex, he tends 23 goats named after politicians he doesn't like. One is called Madeleine Albright after the US ambassador to the UN. He also keeps bees.

He has not been back to his village for at least six months. Across the valley from his boyhood home are three hamlets, once occupied by Muslims, but ruined by Bosnian Serb forces in their drive through Bosnia.

Muslim survivors from the "safe haven" of Srebrenica have told how Gen Mladic first promised prisoners they would be freed, and then ordered them shot and bulldozed into mass graves. The answer to the question of how a village boy grew into a leader reviled as a war criminal lies in the hills of his youth where peasants guard their land and history with jealousy and suspicion.

Jovo Mandic, who was a neighbour of Gen Mladic said: "We were like finger and nail with our Muslim neighbours before the war. We attended funerals together and celebrated birthdays and harvest time. Of course that was before we knew they were arming themselves to kill us."

Gen Mladic was a year old when his father died fighting with Tito's partisans against Croatian fascists.

He grew up in a peasant house in Bozilovici. Mr Mandic said: "Ratko wasn't like the other children. He was very bright and he studied well. The others went off to school together but he used to walk behind reading a book."

In 1994, Gen Mladic's daughter, Ana, killed herself neighbours before the war in Belgrade. Friends say she could not bear the guilt of her father's actions. "Ratko always said there were two sacred things in his life: his country and his women," a friend said. "He really suffered when he lost Ana."

B-H: Whereabouts of Former Krajina Officials Examined

AU1607204696 Sarajevo IMAGE in Serbo-Croatian
15 Jul 96 p 19

[Report by A.M.: "Milan Martić and Milan Čeleketić Plotting Guerrilla War in Banja Luka"]

[FBIS Translated Text] What are the already forgotten criminals from Croatia, that is, the former leaders of the "Republic of Serb Krajina," doing?

Milan Martić is still in Banja Luka, playing "the last of the Serbian guerrillas," as his last year's call for the guerrilla warfare in Croatia is still in force.

His "residence" is in the house of the expelled Croatian physician, and the last Knin commander Milan Čeleketić is inseparable from him. Martić's second residence

is in Dedinje in Belgrade. Former Interior Minister Slobodan Jarcevic resides on Aleksandar Sambilijaski Street. Mile Novakovic, commander of the Krajina brass band when Maslenica and the Medjak pocket fell, lives somewhere in the vicinity of Belgrade, his housing problem still unresolved. Milan Babic, the last Krajina prime minister, lives in his aunt's apartment in Zemum and is trying to get a visa to leave the so-called Yugoslavia. Toso Pajic, former chief of police, is still issuing identity papers to the Krajina Serbs who have remained without documents. Former assembly speaker Mile Paspalj is the chief of Karadzic's Serbian Democratic Party for Banija and Kordun. He enjoys life in a Belgrade apartment, writing a book "About the Nation That Betrayed Itself." Borislav Mikelic lives in Belgrade Slavija, persuading journalists that he armed the Serbs and offering his services to any of the faltering Vojvodina meat processing plants, counting on his experiences gained in Gavrilovic.

The owner of Petrinja Drvoplast Dragan Cicic landed on his feet best, planting himself in Kraljevo and spreading his business to Kosovo. As they say, "sad is our destiny."

B-H: Pentagon Presence in Muslim-Croat Federation Irks Serbs

AU1607192896 Belgrade VECERNJE NOVOSTI in Serbo-Croatian 10 Jul 96 p 2

[Commentary by Borislav Komad: "Advisers for—War"]

[FBIS Translated Text] The policy of "balance of power," or "equilibrium of fear," with which the American military establishment wants to impose an unconditional peace on the territory of the former Yugoslav republic of Bosnia-Herzegovina, is more of an encouragement than deterrent for war.

Abandoning the earlier severely dictated conditions that the Pentagon would begin to arm and train the green army of the former Bosnia-Herzegovina only if it was cleaned of its "imported" Mujahidin, top U.S. Administration officials have decided to send 160 advisers and instructors after all.

According to agencies, these men are experts in uniform, recruited from an establishment called "Military Professional Resources," from Washington, consisting of retired generals and admirals whom the Pentagon, with the consent of the White House, has selected to conduct the job of arming the Muslims, that is, the Muslim-Croat Army.

This militant "company" already has experience with issues relating to the Balkans, because its men have

worked for Croatia both during and after this war, and it is known that advisers from this establishment were in Tudjman's military headquarters during preparations for the aggression against the Krajina.

"We will not go ahead with the program of outfitting and training the Muslim army before they accept a settlement," Warren Christopher, U.S. Secretary of State, said in late January of this year, referring primarily to the presence of Mujahidin mercenaries in Izetbegovic's army and stalled efforts to form a joint Muslim-Croat armed force.

Proof that this first, magisterial precondition, was not even close to being met, is a text published in the 8 July issue of the WASHINGTON POST.

This American daily newspaper, very close to the center of decisionmaking, says that "several hundred holy warriors of Islam have not left Bosnia, and many do not even intend to do so, because, they bought or seized houses and wives and obtained citizenship...."

This ostensibly positive information, publicly refutes the words of the White House, also publicly spoken, "that all Islamic mercenaries had either left Bosnia or dropped from the ranks of the pro-Muslim Bosniak Army."

Although caught in an unpleasant trap, by its decision to send its advisers and instructors to one of the entities of the former Bosnia-Herzegovina—in advance of the 14 September elections—the Administration in Washington is creating anxiety for the other entity, which can in no way be a guarantee to its voters that the previously agreed rules of the game will be respected, a game that will decide whether the word peace will finally overrule its antipode, war.

B-H: Diplomat Says Bosnian Serbs Breaking Weapons Agreement

AU1707125496 Paris AFP in English 1218 GMT 17 Jul 96

[Report by Odile Meurvet]

[FBIS Transcribed Text] Vienna, July 17 (AFP)—The Bosnian Serbs are trying to get round commitments made earlier this year to destroy large quantities of heavy weapons, a western diplomat here said Wednesday. Under an arms limitation accord signed on June 14, and designed to limit the risks of a flare up in fighting in Bosnia, the heavily-armed Serbs have to destroy some of their tanks and heavy weapons. However, the diplomat, speaking to AFP on condition of anonymity, said that the Serbs were using a very loose interpretation of one clause to circumvent this commitment.

The accord was signed by the Federal Republic of Yugoslavia (FRY), Croatia, Bosnia-Herzegovina, and the two entities in Bosnia, the Republika Srpska and the Moslem-Croat Federation, fixing arms ceilings which must be met by October 31, 1997.

The Moslem-Croat Federation, which was heavily out-gunned during the war, will be able to increase its defence capabilities, buying in tanks and armoured vehicles, while the Republika Srpska, of the Bosnian Serbs, has to scrap some of their tanks and armoured vehicles. Under this agreement, the Moslem-Croat federation Tuesday signed the deal on its first 50 million dollar element of a 400 million dollar US-backed deal to boost the joint Moslem-Croat forces to ensure a better balance against the Bosnian Serbs. The deal is supported by Washington which argues the Moslems and Croats must be better armed to prevent any resumption of the war by the Serbs when most NATO-led peacekeepers leave Bosnia later this year.

The diplomat, speaking in Vienna where the Organisation for Security and Cooperation in Europe (OSCE) which supervises the accord is based, said that the Bosnian Serbs were the only side breaking the spirit of the agreement. The Serbs were "abusing" a clause in the treaty which could save 300 tanks, 150 armoured vehicles and 800 pieces of artillery from the scrapheap, said the diplomat. According to the clause, weapons about to go out of service, in manufacture, awaiting export or being used for exhibition purposes or research and development are exempted from destruction.

The warring parties officially declared their stockpiles on July 2, but the figures submitted by the Bosnian Serbs were different from those used during the negotiations. The Serbs now say that they have 300 tanks going out of service or awaiting export, 500 artillery pieces about to be exported and 300 other artillery pieces being manufactured or used for research and development. According to the diplomat, the Bosnian Serbs were trying to retain the maximum possible amount of weapons in case war broke out again.

The diplomat failed to say what might be done about the Serb behaviour but noted that under the agreement, if heavy weapons designated for export were not in fact exported they would still have to be destroyed next year.

B-H: Serb Official on Achieving 'Strategic Balance'

AU1707150496 *Pale JAVNOST (Bosnian Serb)*
in Serbo-Croatian 13 Jul 96 pp 10-11

[Interview with Dr. Radomir V. Lukic, "deputy foreign affairs minister of the Serb Republic," by Jovan Janjic; place and date not given: "Weapons for (In)Stability"]

[FBIS Translated Text] Formerly an assistant professor at the Sarajevo University Law School, Dr. Radomir V. Lukic, deputy foreign affairs minister of the Serb Republic, has been a part of the Serb national movement from the very beginning. As a legal science expert among the Serb diplomats, he was the one who unpacked his suitcases least often, because he was one of the few people who took part in almost all of the consequential negotiations at which the fate of the Serb people in Bosnia-Herzegovina was being determined. In addition to Lisbon, Brussels, The Hague, London, and Geneva, he also took part in two marathon negotiation processes—the "final negotiations" in Dayton and the Conference on Subregional Arms Control in Vienna.

[Janjic] Dr. Lukic, you took part in the marathon Conference on Subregional Arms Control in Vienna. How would you evaluate the results?

[Lukic] It was a long and arduous conference. It gathered representatives of the Serb Republic, the Federal Republic of Yugoslavia, the Republic of Croatia, and the Federation of Bosnia-Herzegovina as completely equal negotiators. Each of the negotiating parties had its own interests and its own political, military, and diplomatic priorities. The course of the conference and its results, however, were decisively determined by Article IV of Annex 1b, in other words, by the provision on the proportions regarding the five kinds of conventional arms that were supposed to be limited by the negotiating parties. In addition to that, the international community tried to use the OSCE [Organization for Security and Cooperation in Europe], under whose auspices the conference was held, to achieve some specific interests and concepts in the subregion, which made negotiations especially difficult for the Serb Republic.

So, the conference was reduced to merely technical issues of implementing the Dayton formula of 5:2:2, and 2:1 within Bosnia-Herzegovina. Unfortunately, the Serb Republic did not manage to change those proportions, but, in spite of that, it is true that its strategic defense interests are not threatened and that it has retained the capacity to make international contracts and agreements. The agreement limits possession of only five, albeit, important, kinds of conventional weapons: tanks, armored vehicles, artillery weapons over 75-mm, and combat planes. [sentence as published] A strategic balance be-

tween the Serb Republic and the Federation of Bosnia-Herzegovina is possible to achieve with other weapons that the agreement does not limit. The limited weapons are primarily offensive, and the Serb Republic does not intend to reach out with armed force for the territory of others.

By increasing the number of defensive weapons, the Serb Republic will be able to guarantee the safety of its citizens and the Serb people. Of course, it would have been better had the proportion been different and more favorable for the Serb Republic in terms of these five categories of conventional weapons, but since that is not the case, the defense and arms strategy will have to be adapted to the existing situation. That is why the domain of the defense of territory, borders, and people of the Serb Republic will have to be a central state and government activity in the Serb Republic.

[Janjic] Can there be peace if the proportion in arms between the Muslim-Croat federation and the Serb Republic is 2:1 in favor of the Muslim-Croat federation?

[Lukic] I have to reiterate that only five categories of conventional weapons are being limited, not all conventional weapons. In truth, these are indeed five very important categories of weapons in a military sense. Strategic balance in weapons can and must be established in another way, with other kinds of conventional weapons not limited by the Vienna conference. But it is also true that this slight supremacy in weapons that fall within the five categories could whet the appetites of others, particularly the Federation of Bosnia-Herzegovina, and the fragile peace could be dangerously jeopardized by an act of aggression by the Federation of Bosnia-Herzegovina and Croatia against the Serb Republic.

The future of peace does not depend solely on a proportion in the mentioned five categories of conventional arms, but on a wider political and diplomatic constellation of relations. If no attempts are made to threaten the existence and security of the Serb Republic and its status in an international and constitutional sense, the peace will not be endangered. But if Muslim unitarism, hegemony, and expansionism is endorsed by others in such a way as to threaten the Serb Republic and its people, peace could be threatened.

Peace will not be threatened by the Serb Republic, because its existence and international and constitutional status, have been recognized by an international agreement, it has its borders, its territory and its constitutional system, and therefore, it has no reason whatsoever to threaten the use of armed force or to use armed force. If the Serb Republic succeeds in organizing its army well and resolves the status of its armed forces and weapons

that are not limited, and thereby guarantees its own security, peace will have a chance.

Finally, it is necessary to mention that the global ratio of the possession of the mentioned five categories of conventional arms in the subregion, which is 5 for the FRY, 2 for Croatia, 1.32 for the Bosnia-Herzegovina Federation, and 0.66 for the Serb Republic, has a different meaning for the international community, because the 5 and the 0.6 are very close to each other, they almost converge, which was pointed out informally on several occasions at informal meetings, which is again a factor of stability that can contribute to peace.

[Janjic] How was that 1:2 proportion determined in the first place? There were rumors that, at the very beginning of the talks, the initial proposal was 1:1, and that, later, in a mysterious way, it turned out to be 1:1.2, and then, finally, it was changed to 1:2. What is the truth here?

[Lukic] Everything was exactly as you say. The original ratio, completely reasonably and in accordance with the demand for a balance of power between the Serb Republic and the Federation of Bosnia-Herzegovina as an essential prerequisite for the preservation of peace, was mysteriously transformed into a ratio of 1:2. The hand of the "conjurer" is known, however, and the you should ask the owner of that hand to give you the answer to this and many other Dayton-related issues, particularly the issue of Sarajevo. If no one has the opportunity, or courage, to ask the owner of that esoteric hand to give an answer to the question posed here, history will certainly do so sooner or later. Considering the entire situation and the balance of power, the Serb Republic was not able to change that ratio, but that is precisely why it has the obligation to neutralize that ratio by other means, based on the assumption that it is its own best keeper.

[Janjic] And what did the Serb Republic propose?

[Lukic] In this, as in numerous other Dayton issues, the views of the Serb Republic differed from those of the owner of the magic hand. Its representatives in Dayton and Vienna proposed an absolute balance between the forces of the Serb Republic and the Federation of Bosnia-Herzegovina as far as possession of these five categories of conventional weapons is concerned, in other words, a ratio of 1:1. That ratio would have guaranteed complete equality and equilibrium, as the best guarantee of peace. Now, we must try to achieve that equilibrium with other kinds of conventional weapons, the possession of which is not limited. If there is any consolation in this ratio, then it is the firm resolve of the Croat part of the Federation that the proportion that

belongs to the Federation should be equally divided between its Muslim and Croat parts. That tells us about the state of affairs in the Federation itself and the possibilities of further diplomatic activities by the Serb Republic.

[Janjic] If the ratio is 51:49 percent in terms of territorial division, and if the world powers really want peace in Bosnia-Herzegovina, would it not be logical to have the same ratio for "guns?"

[Lukic] Of course. It is certain that defense needs depend on the size of the territory, the size of the population, and the characteristics of the borders and the environment, and, in that respect, the defense needs of the Serb Republic and the Federation are identical. But, the request of the Serb Republic was not accepted by the negotiators, the Contact Group and OSCE members. Its government has assessed that the strategic balance is not disrupted and that the defensive power of the Serb Republic can be strengthened with other kinds of weapons.

[Janjic] To what extent does this arms control, stipulated by the Vienna agreement, coincide with the U.S. policy of openly arming and training the Muslims and Croats?

[Lukic] That remains to be seen. The Americans claim that the extent to which they will go is the limit set by the Vienna agreement regarding these five categories of conventional weapons and that they will not exceed that limit. In any case, it is unusual that they are siding with only one entity, in this case the Federation. Since we cannot change anything, all we can do is to deal with that in other ways, because here, as in everything else, our destiny is in our own hands to a great extent. If we let it out of our hands, someone else will take it; but if we keep a firm grip on it, they will have to respect that, whether they like it or not. It may sound strange to you because we are talking about weapons, but the elections will be the first real test to see whether we are holding our fate in our own hands. If we can demonstrate that, everything will be much easier. Weapons are not just used to shoot. If, in the elections, a nation shows that it knows exactly what its historic interests are and that it knows exactly what it wants, then the use of force is out of the question. Weapons cannot do anything against democracy.

[Janjic] The Americans have indicated that they will quit the planned program to train and equip the Muslim army if Izetbegovic does not break off the "Iranian connection." Do you believe that the threat is real and sincere, or is it only for "domestic use?"

[Lukic] The United States had insisted on the arms ban for Bosnia-Herzegovina. But, in spite of that, it was the first to violate this ban by creating and implementing the

very same "Iran connection." As far as I am concerned, that U.S. statement is, as you say, for "domestic use." The United States' goal is to use Arab money to buy arms from itself for the Federation. The sums of money involved are not small, and why should the United States not have it when it can? There are many problems and dilemmas in that entire affair, however, from money to whether the Federation will get old or new weapons. We must keep a watchful eye on how things are developing and try to come up with corresponding solutions, so that we could preserve the wartime and historical legacy that we achieved in the war.

[Janjic] As an expert, you took part in the Dayton negotiations. To what extent is the Dayton agreement being recklessly "refashioned"?

[Lukic] The Dayton agreement is a very complex, end even dangerous legal and political concoction. It was not naively written, and we must always bear that in mind. It has established a large and complicated mechanism for its implementation, the goal of which is to unify and centralize Bosnia-Herzegovina, if possible, in the future and to bring it closer to Croatia. The goal is, therefore, to break down the present "entity" status and blend it into a larger unitarian structure of Bosnia-Herzegovina. I say "if possible," because I think that they will not be able to do so if the Serb Republic is firm in the defense of its status, and if the Serb nation is firm in the defense of its state. That implementation mechanism endeavors to apportion and devalue the unique state authority of the Serb Republic, and whether it will succeed depends primarily on the skill, wisdom, and persistence of the people and state authorities of the Serb Republic. I personally have no doubt that they will not succeed, because the people that knew how to shed blood will also know how to conduct politics.

[Janjic] According to the Dayton agreement, it is envisaged that the IFOR [Implementation Force] will stay in Bosnia-Herzegovina for one year. However, they are looking for ways to remain longer. What do you think about that?

[Lukic] After the elections, if they turn out as I expect, many issues will have been solved. I expect that it will be reduced only to protecting the line of division, in other words, the interethnic borders. The political ambitions of IFOR will then subside, as will those of the international community. The will of the people will have to be respected. The military component will be reduced for sure and will have a different role.

[Janjic] What do you, as a legal specialist, think about the Hague trial of Serb leaders?

[Lukic] It is completely clear that this is an attempt to break the morale and ethics of the Serb nation and place it at the very bottom of the historical and civilizational pit. An attempt to drive the Serb nation to self-hatred and create in it a feeling of the absurdity of its own existence and the futility of any struggle. Also, it is an attempt to decapitate the Serb nation in the Serb Republic by destroying its leaders. It seems that someone has to replace Germany and the German people in that historic role. Numerous legal and political problems of that tribunal and the trial itself have still not been resolved. It is impossible to make the Serb nation guilty of genocide, because it was defending itself there and had no intention of destroying other nations. It never did. This holds true for its political and military leaders. I think that this completely senseless and pale attempt at a rerun of Nuremberg will not succeed.

B-H: Presidency Candidate Ivanic Sees Advantage Over Krajisnik

AU1407160496 Belgrade Radio Beograd Network
in Serbo-Croatian 1300 GMT 14 Jul 96

[Interview with Dr. Mladen Ivanic, candidate for member of the Bosnia-Herzegovina Presidency of the Alliance for Peace and Progress and the Democratic Patriotic Bloc, by Branislav Bozic; place and date not given—recorded]

[FBIS Translated Text] [Bozic] How do you picture Bosnia-Herzegovina after the elections, and the Serb Republic within it?

[Ivanic] With the Dayton accord the international community demonstrated how it saw Bosnia-Herzegovina under the circumstances that were the result of hostilities and the civil war that had taken place in Bosnia-Herzegovina. This clearly showed that Bosnia-Herzegovina was seen as a complex, loose state consisting of two entities—one called the Serb Republic and the other called the Muslim-Croatian Federation. The world thus stated clearly: There is a state, that is, an entity, with Serb attributes, and an entity that bears Muslim-Croat attributes. The world thus said two entities, and in this way expressed its understanding of the situation in Bosnia-Herzegovina. Everything else will depend exclusively on the will of the representatives of both entities, that is, the will of the representatives of all three peoples.

[Bozic] What do you think about your rival candidate for this post, [Serb Republic Assembly Speaker] Momcilo Krajisnik?

[Ivanic] Mr. Krajisnik is at the moment, following the withdrawal of Mr. Karadzic from the post of the Serb Republic president, undoubtedly the strongest political

personality in the Serb Democratic Party. I am pleased to be encountering him in the electoral campaign. This does mean some uncertainty, but it makes the excitement of the electoral campaign greater. I am convinced that I have the advantage over Mr. Krajisnik.

I believe that Mr. Krajisnik's candidacy for the post in the Bosnia-Herzegovina Presidency is in itself a little puzzling. There are two possible reasons as to why the most powerful man in the ruling party was nominated for Sarajevo. One of the answers could be that this body is believed to be the most important one. Personally, I am of the opinion that this suggests that the Serb Republic as a state entity is being relinquished, as on the contrary the main post would be that of the Serb Republic president. The second possibility, also negative for the Serb Republic I believe, is the continuation of the hardline approach in the joint institutions. This approach made sense before. However, after the war and the definition of the Dayton accord, which will be something similar to what the Versailles Treaty was for Yugoslavia, such a policy can serve as a justification to certain forces among the Muslim peoples, and also internationally, for a new war situation, which would not be good for the Serb Republic.

In any case, regardless of the electoral results, because of the qualities possessed by Mr. Krajisnik and myself, I believe that it would be good if the winner made use of the services, knowledge, and potential of the loser, and all this to first and foremost benefit the Serb peoples in the Serb Republic. However, I [word indistinct]. I am convinced that I will win. I believe that there are numerous arguments supporting this, but generally speaking I believe that the political situation in the Serb Republic will change considerably. At the moment we have the structure of authorities elected six years ago. The mood of the Serbian people has changed considerably; a whole series of circumstances influenced this. I am convinced that the results of the elections will reflect this certain [words indistinct] that will be in favor of the opening of the Serb Republic, the integration of the Serb Republic into international policy, so that the Serbs from the Serb Republic would be able to say proudly that they are Serbs, to be a part of the international community and not pushed into a sort of isolation. I am convinced that the elections will show this.

[Bozic] Relations between the Serb Republic and the FRY?

[Ivanic] These relations are currently burdened by certain political problems that emerged for two reasons. First, the lack of understanding for the Yugoslav leadership by the Serb Republic leadership, and second, the

international pressure. However, as the war will fade away and the tensions will die down—and I am convinced that this will happen—the cooperation between the Serb Republic and the FRY will grow more intense, frequent, and profound. Here I primarily refer to economic relations, but also to cultural, scientific, and educational relations, and I am convinced that in the parts that neither the Dayton accord nor any other document prohibits, we can expect a rather good [words indistinct] the Serb Republic will in these realms lean on the FRY. Ultimately, for the people of the Serb Republic this is a sort of a long-term, future perspective.

B-H: SRS Threatens To Boycott Elections Over SDS Ban

LD1707153196 Belgrade SRNA in Serbo-Croatian
1305 GMT 17 Jul 96

[FBIS Translated Excerpt] Banja Luka, 17 Jul (SRNA)—Nikola Poplasen, chairman of the Serbian Radical Party of the Serb Republic [SRS], warned today that his party will call on patriotic and other parties to boycott the elections, and on citizens not to turn out to vote in the September elections if the Serb Democratic Party [SDS] is banned from participating in them.

At a news conference in Banja Luka today, Poplasen said that the election campaign in the Serb Republic and the Croat-Muslim federation is continuing "under unprecedented pressure" from the international community.

"The interim electoral commission has been frequently changing previously adopted rules; two patriotic parties, the SDS and the SRS, have been exposed to continuous pressure, because the international community thinks that they wield most influence among the Serb people and voters in the Serb Republic," Poplasen believes.

The SRS leader warned of the increasingly evident attempts by the U.S. Administration to resolve the issue of the former Bosnia-Herzegovina by military means; The U.S. Administration is not only trying to reduce the influence and significance of the democratic parties in the Serb Republic but also of the solutions offered by European countries.

"The SRS estimate is that in the upcoming elections over 30 percent of the votes cast abroad will be rigged, while, through various forms of pressure, the authorities of the Federal Republic of Yugoslavia will try to force 200,000 to 300,000 refugees to vote for the political parties of the left," Poplasen says.

Poplasen also presented the SRS candidates for the upcoming elections; in this connection he said that the

SRS, "with the national interest in mind," decided not to put forward a candidate for president of the Serb Republic and for member of the joint presidency of the Serb Republic and the Muslim-Croat federation.

The party has put forward Nikola Spiric as candidate for Serb Republic vice president, Nikola Poplasen as the main candidate on the list of deputies for the Serb Republic People's Assembly, and Miodrag Rakic as the main candidate on the list of deputies for the Chamber of Deputies of the joint assembly.

The SRS has put forward 2,000 candidates for seats as deputies in 47 municipal assemblies in the Serb Republic. Svetozar Radulovic has been put forward as the main candidate on the list of deputies for the municipal assembly of Banja Luka. [passage omitted]

B-H: Exhumations at Serb Mass Graves in Glamoc Postponed

LD1707164596 Belgrade TANJUG in English
1625 GMT 17 Jul 96

[FBIS Transcribed Text] Banja Luka, July 17 (TANJUG)—The unearthing of about 60 bodies of Serbs buried in a mass grave in the village of Kamen, three kilometres east of Glamoc in southwestern Bosnia, has been discontinued after it was started on Tuesday.

As was learned, Croats blocked the work asserting that they had not been allowed to exhume the bodies of nine members of a Croatian army group of saboteurs who were killed last year while breaking into Kozarska Dubica in the north of the Republika Srpska (R.S.).

On Wednesday, however, the bodies of the nine Croats were exhumed, and now the work of unearthing the grave at Kamen was expected to resume.

On Tuesday, 46 bodies of Serb soldiers or civilians killed in last autumn's strong Muslim-Croat offensive against the western parts of the R.S. were unearthed.

The Kamen grave is the first of about 40 mass graves of Serbs which remained in the territory of the Muslim-Croat federation.

The exhumation unfolds organized by the exchange commissions of the R.S. and Herzeg-Bosnia, and the work is supervised by representatives of the International Police Task Force (IPTF), IFOR [Implementation Force] and two international experts appointed by the United Nations.

Croatia: Holbrooke, Simonovic Comment on Talks With Tudjman*LD1707192996 Zagreb HTV Television in Serbo-Croatian 1730 GMT 17 Jul 96*

[Statements by U.S. envoy Richard Holbrooke and Croatian Deputy Foreign Minister Ivan Simonovic following talks with Croatian President Franjo Tudjman in Zagreb on 17 July—recorded; Holbrooke speaks in English with superimposed Serbo-Croatian translation]

[FBIS Translated Text] [Holbrooke] I am very grateful to President Tudjman for taking the time to meet with us today. We have come back to the region at a moment of challenge to the Dayton agreements. There has been noncompliance by some of the parties. Some of the noncompliance is fairly minor, but in our view the noncompliance by the Bosnian Serbs is extremely serious and cannot be tolerated, and that is the message we have come to the region with. We will return tomorrow to Sarajevo, and then to Belgrade tomorrow afternoon, and we will return to Washington on Friday.

We are in the middle of a very tense dialogue with the leaders of the region on how to deal with the problem. I am very gratified that President Tudjman just gave us his full support for the efforts we are undertaking. I am not going to go into the details of our conversation, but I will say that we briefed President Tudjman in detail on our situation with regard to the Bosnian Serbs. He supported what we are doing at this time. Thank you very much.

[Simonovic] With regard to what Mr. Holbrooke has already said, I can add from the Croatian side that, if the basic aim of his visit was to assess the situation concerning the implementation of the Dayton agreement, a high degree of concurrence was achieved both in the diagnosis of the problem and with regard to the methods for forcing those who have violated some of the provisions, particularly political undertakings, to realize them. This refers primarily to the [Bosnian] Serb Republic.

However, Mr. Holbrooke's visit to Zagreb was also used to discuss the situation in eastern Slavonia. In this connection the president particularly stressed on the one hand his satisfaction with the mission of Mr. Klein [UN transitional administrator for eastern Slavonia], and on the other the need to resist all forms of delaying the process of reintegration. In this connection it was particularly stressed that elections should be held in December and that they should take place according to the Croatian legal system. Thank you very much.

Croatia: Holbrooke Role in 'Operation Karadzic' Assessed*AU1807082296 Zagreb VJESNIK in Serbo-Croatian 16 Jul 96 p 4*

[Commentary by Josip Vricko: "Richard Holbrooke, Take 2"]

[FBIS Translated Text] Just when it seemed that Richard Holbrooke had rid himself of Balkan mud forever and gone back to Wall Street, Clinton recalled his confidant for another mission early this week. Presidential advisers decided to send Christopher's former associate to Belgrade, and to Zagreb and Sarajevo, too. The choice of destinations and the person who will go on the new "Balkan tour" shows that the United States no longer wants to leave anything to chance or to Belgrade's disposition because September is drawing near.

Holbrooke is, as everyone knows, one of the drafters of the Dayton agreement or—as Americans would say—one of those who built Bosnia-Herzegovina. Having had his Dayton champagne with his bosses Clinton and Christopher and the leaders of the warring parties, he went back—probably with relief—to his banking business. However, the role he played in the task, which even the superpower found very complicated, was apparently too important to allow Holbrooke to dedicate himself solely to his business, now that the "historic agreement" reached on the U.S. military base is obviously in a substantial crisis.

As we can see, Holbrooke's task is to persuade Milosevic—and he is allegedly one of those rare persons who can influence the Serbian leader—to heed the obligations he assumed during the long days and nights in Dayton. Judging by the U.S. press, which is paying close attention to the latest U.S. mediation effort in the former Yugoslavia, Holbrooke is not going to Belgrade (like Bildt, for instance) to beg Milosevic to remove his two criminals but to order him to do so!

The impression is that the United States, after much criticism by the Europeans for its solo actions in Bosnia-Herzegovina, has this time coordinated "Operation Karadzic" with its European partners. After the superpower leaders' meeting in London, we could predict that this time it will be more than just empty threats. Almost immediately after London, Klaus Kinkel—who also visited Dedinje [Belgrade suburb where Milosevic lives] recently but with no results—threatened to impose sanctions on Belgrade. The head of German diplomacy was immediately supported by Paris, who is usually very cautious when Serbians are at stake.

London finally seems to have realized—after the pictures of mass graves in Srebrenica and the "vampire

ball" that the Serbs held there last week—with whom it is dealing. Europe and the United States seem to have reached a consensus on the final removal of the leaders of the junta from Pale. In addition, there are more and more confirmations that the investigation of the Hague Tribunal will not stop in Pale but will cross the Drina River and go all the way to Dedinje.

The reactivation of Richard Holbrooke, however, shows what a difficult negotiator Milosevic is. There is a reason why Clinton has reintroduced Holbrooke, a close associate back from the days when he made his way to the White House, to politics. In 44 months of war in Bosnia-Herzegovina, he is the only person who has managed to establish the kind of relationship with Milosevic that has made the Serbian leader abandon his usual policy of empty promises. Accordingly, their Belgrade meeting might bring a concrete result. Holbrooke, a witness of Dayton, knows very well what Milosevic's obligations are.

However, we have to believe that Holbrooke is going to Belgrade determined to remove those hindering the Dayton agreement, not to reinforce his special relationship with Milosevic. If the Serbian president is given too much attention and significance, it will make him—as so many times before—untouchable. Consequently, his Bosnian executioners will become untouchable, too.

Croatia: UNTAES Expects Passing of New Amnesty Law

AU1707200396 Beli Manastir Srpski Radio Network in Serbo-Croatian 1600 GMT 16 Jul 96

[FBIS Translated Excerpt] At today's regular session of the Executive Council of the Serb Province of Eastern Slavonia, Baranja, and Western Srem, held in Vukovar and chaired by Prime Minister Dr. Vojislav Stanimirovic, the provincial commissioner for refugees, Srba Mikic, submitted a report on the implementation of the program for the settlement and humanitarian care of refugees and displaced persons.

The provincial government established that not much has been done since March, when the program for settlement and humanitarian care for refugees and displaced persons was adopted, and the lack of funds for reconstruction of facilities and humanitarian care is the main reason that it was not possible to accommodate more refugees from the western parts of the Krajina in the province.

As the provincial commissioner Mikic said, however, there is much interest in settling in this area among the refugees who are at present in collective accommodation facilities in the Federal Republic of Yugoslavia. It

was for these reasons that the provincial government accepted the proposal that a reception center be opened in Jankovci. The two buildings can accommodate 200 persons. This facility will only be used for this purpose temporarily, until adequate accommodation for the refugees is found throughout the region. [passage omitted]

UNTAES [UN Transitional Administration in Eastern Slavonia] wishes to see a new Croatian amnesty law, said (Richard Wilcox), officer for civilian affairs at the UNTAES office [word indistinct] the provincial government, who also attended today's session.

He stated that Administrator Klein is working with a number of international forces to apply pressure to the Croatian Government to pass a new law. There are some indications that a new law may be passed, said (Wilcox), adding that he cannot discuss the date or the contents.

It must be made clear what the mission can do, and what it cannot do, said (Wilcox), adding that the passing of the new amnesty law comes exclusively within Zagreb's competence.

Croatia: Slavonia Serb Official Assesses Situation in Region

AU1807112796 Belgrade NASA BORBA in Serbo-Croatian 17 Jul 96 p 13

[Report on interview with Vojislav Stanimirovic, "prime minister of the Srem-Baranja region," by D. Petrovic; place and date not given: "Previous Authorities Were Engaged in Criminal Activities"]

[FBIS Translated Excerpt] "The people are demobilized and almost all the heavy weapons have been withdrawn. There is only the small problem of people carrying personal weapons that will be difficult to solve, since people are unwilling to hand them over because of the amnesty law and the state of democracy in Croatia being what they are. They are afraid, but we continue to urge them to hand their personal weapons over so as to avoid having an innocent situation result in violence and casualties. The UNTAES [UN Transitional Administration for Eastern Slavonia] is allowing people to keep 'short' [kratko] guns but with a permit that is issued to all mentally healthy people without a criminal record," Vojislav Stanimirovic, prime minister of the Srem-Baranja region, said to NASA BORBA. He added that UNTAES would soon start to buy up 'long' [dugo] guns in order to motivate people to hand them over.

Speaking about the transitional police force, Stanimirovic said that a number of problems existed, particularly because UNTAES had not provided the equipment, weapons, and vehicles it was supposed to. He said

that at the moment the UNTAES uniforms with "police" badges on them were in use, while the Croatian policemen were wearing their own uniforms but only in border areas. The first joint patrols will be on the motorway, and the prime minister is not expecting incidents there. "It is possible that excesses might happen if the Croatian police were to enter some purely Serb areas and act provocatively. That is why everything must proceed gradually, and first in places where there are no Serbs," Stanimirovic said.

For the people to gain trust again, Croatia must first show that it has become a democratic state, Stanimirovic said, and the main problem lies in the amnesty law, "which is such as has never been seen in the world." He personally is affected by the amnesty law since his wife—who is a doctor, by the way—is on the infamous "List 811." He told us jokingly that "now it is considered embarrassing in Vukovar not to be on that list."

"Speaking in percentages, we do not have an exodus of the population here, but we do have a drain on material goods. [sentence as published] All this has been stopped with the arrival of the new Serb authorities, and we have tried to deal with the people who encouraged immigration and were involved in the export of wood. We have been partly successful in that. It was organized crime, and the previous authorities were involved under the pretext that they were doing it for the needs of the army, but they have now moved out of here," the prime minister claims.

We do not have frequent contacts with the state bodies of Serbia and Yugoslavia, Stanimirovic said, but there have been contacts at the ministries' level. President Milosevic has refused to receive a government delegation (he did receive Goran Hadzic), but Mirko Marjanovic has discussed economic issues with Stanimirovic, particularly the functioning of payment operations. [passage omitted]

[Box, p 13]

Uncertain Future

The future of the Serbs in the region is uncertain, but we live in the hope that for once perhaps time is on our side, Stanimirovic said, because the world has seen the truth and realized "that Croatia is creating something unique in Europe." According to him, "at least 10 percent of the population will leave when the Croatian authorities are established." He is afraid, though, that this percentage could increase depending on developments.

"I am neither an optimist nor a pessimist. There are possibilities for all the Krajina refugees to settle here,

but financial assistance is needed. Still, regardless of everything, I think that civilian monitors will have to remain here at least 10 years," Vojislav Stanimirovic said.

Croatia: Stanimirovic Views Situation in East Slavonia

AU1707173096 *Beli Manastir Srpski Radio Network in Serbo-Croatian 1600 GMT 15 Jul 96*

[Report by Aleksandra Jaksic on interview with Vojislav Stanimirovic, "president of the Executive Council of the Serb Province of Eastern Slavonia, Baranja, and Western Srem," for Belgrade ODGOVOR on 15 July; place not given]

[FBIS Translated Text] Dr. Vojislav Stanimirovic, president of the Executive Council of the Serb Province of Eastern Slavonia, Baranja, and Western Srem, gave an interview to Belgrade ODGOVOR, an independent refugee newspaper. As part of a joint project with the independent Osijek newspaper BUMERANG, called The Bridge of Peace, the latest issue carries the text of Dr. Stanimirovic's interview. The provincial press center has selected the most interesting parts of the interview, on which Aleksandra Jaksic has a report.

[Jaksic] We are trying to secure some of the elementary conditions necessary for the people to survive. If we do not manage to do so, it is possible that we will have an exodus, said Dr. Stanimirovic, adding that he hopes it will not happen.

Time is on our side and for the first time the world has seen through Croatia, which is why it is under constant observation, said Stanimirovic, who believes that patience is necessary.

Incidents are still possible primarily in the work of the transitional police. Stanimirovic gave an example. An incident may occur if Croatian policemen were to wear their uniforms, go to purely Serb areas, and start to emphasize their nationality, make unreasonable statements, and so on but, at least for the time being, such events are out of the question. The Croatian police are deployed on the Croatian side of the crossings between the province and Croatia, while mixed patrol groups will patrol the uninhabited territory along the highway, which is why incidents can not occur there.

I believe that, until all the policemen on the force get the same uniforms, the transitional forces will function this way, said Stanimirovic for the independent refugee newspaper. Discussing the demilitarization process, Stanimirovic said that the handing in of personal weapons will be slow: People do not trust Croatia; they believe

that personal weapons represent certain safety. Dr. Stanimirovic expects the UNTAES [UN Transitional Administration in Eastern Slavonia] to motivate the people to hand in the [word indistinct] weapons by offering to buy them off.

Explaining that the Croatian amnesty law shows that Croatia is not a democratic country, Stanimirovic said: It has never happened anywhere else in the world that an amnesty related to only part of the population and part of the territory, the part that Croatia is not in control of.

Asked whether the provincial authorities received instructions from Serbia, Stanimirovic said that this is not necessary since it is neither Belgrade nor Zagreb that

makes decisions regarding the province, but someone else.

Not neglecting that the economic motive is crucial for the success of the UN mission, he said that Administrator Klein shares this opinion; he has been trying to secure the funds, but he does not have the support of either the European Union or the UN Security Council. The economic situation in the province deteriorated after the Serbian Government decided to expropriate the Borovo shops that are on the territory of Serbia. This decision was made after a strike in Borovo that had political connotations, said Dr. Stanimirovic, adding that: Though the Government of Serbia had announced it would void this decision, it still has not done so.

18 July 1996

Poland: Cimoszewicz Wants To Know 'Costs' of Bosnia Stay

LD1707212796 Warsaw TVP Television First Program Network in Polish 1730 GMT 17 Jul 96

[Relayed by TV Polonia Network]

[FBIS Translated Text] Prime Minister Wlodzimierz Cimoszewicz has demanded from the defense minister a detailed explanation concerning the costs of Polish servicemen's stay in Bosnia. MON (Ministry of National Defense) wants to allocate 66 million zlotys for the Polish contingent, which is double the amount allocated.

[Begin recording] [Correspondent Bogdan Ulka] Prime Minister Cimoszewicz said that the MON application for continued financing of the mission to Bosnia aroused many doubts. The government wants to make another analysis of the estimates.

[Cimoszewicz] We cannot accept attempts, initiatives that strive to finance irrational spending under the important and weighty watchword of our participation in these forces.

[Ulka] Defense Minister Stanislaw Dobrzanski said that an expenditure of about 60 million zlotys had been assumed from the outset.

[Dobrzanski] The preliminary calculations were right, but faced with various pressures, the ministry tried to reduce these costs, and it reduced them by half.

[Unidentified correspondent] And in whose interests was this?

[Dobrzanski] No, ladies and gentlemen, it wasn't a question of anyone putting on special pressure. Today we indeed have to examine every penny from every area.

[Ulka] The minister admitted that the preliminary estimates did not take into consideration all of the costs connected with the service in Bosnia. According to MON, the Polish servicemen have to pay for renting the land where they are stationed, and the delivery of supplies is more expensive.

More than 600 Polish Red Berets are serving in Bosnia. They will be there at least until the end of the year. [end recording]

Poland: Kwasniewski's Second U.S. Visit Criticized
WS1707133396 Warsaw ZYCIE WARSZAWY
in Polish 17 Jul 96 p 5

[Article by Danuta Swiatek in New York: "Kwasniewski in America"]

[FBIS Translated Text] For politicians and citizens of countries which politicians represent, visits that actually do take place are just as important as those that for various reasons do not. One good example is the three-day visit Polish President Aleksander Kwasniewski is just beginning in New York.

The head of the Polish state is visiting this city for the second time this month. He will not meet with City Mayor Rudolph Giuliani or New York Governor George Pataki. Unfortunately, the Polish president will not meet with local authorities of a city inhabited by the second largest (after Chicago) Polonia community in the United States, where one in 17 citizens either speaks Polish or claims Polish extraction. Talks could result in the mayor's and the governor's support in encouraging U.S. businessmen to invest on the banks of the Vistula River.

The Polish president will not meet with the "real" Polonia living in Greenpoint. He will, however, speak with some 100 people invited to the Polish Consulate in New York. How can the president thus count on the support of the Polonia he spoke of in the course of his first visit if there is no opportunity to talk in a larger forum?

Asked several times by ZYCIE WARSZAWY why no such meetings had been scheduled, the organizers of President Aleksander Kwasniewski's visits usually replied: "The president has a very tight schedule." They added that the president was "on his way to Atlanta."

From the editor: In an interview for Radio "Zet," President Kwasniewski admitted he will meet with the boxer Andrzej Golota in the United States. Kwasniewski remembers him from the 1988 Seoul Olympics. Golota is wanted by the Polish Prosecutor's Office for assault and banditry committed in a discotheque in Wloclawek six years ago.

[Underneath the above report ZYCIE WARSZAWY carries a 150-word untitled commentary by Stanislaw Podemski. The commentator asks: "Is it appropriate for a head of state to meet with even the most popular of men who is wanted by the Prosecutor's Office?" He proceeds to answer the question: "The president's meeting with Andrzej Golota is an outlandish act of generosity and nobilitation. Naturally it would have been better for Mr. Golota to stand before court first. Aleksander Kwasniewski could then show his sympathy

by granting him a pardon if he was sentenced. The Polish president should not shake hands with someone who has violated the Polish Penal Code."]

Poland: President Signs Controversial Civil Service Law

WS1707133296 Warsaw GAZETA WYBORCZA
in Polish 17 Jul 96 p 1

[Report by Jolanta Koral: "Amending a Bad Law"]

[FBIS Translated Text] The president signed the law on the civil service. That very same day he admitted it was imperfect. He has announced he will send a letter to the Sejm with proposals of amendments.

A few days ago, the Freedom Union [UW] appealed to the president not to sign the law. It has announced it will develop a draft amendment this week.

The UW is against the provision stating that top-level management employees must have seven years of professional experience, and lower-level management personnel—four years. This eliminates young civil servants and promotes members of the postcommunist nomenklatura. In a letter to the Sejm speaker, the president admitted that the charges were substantiated and suggested that the duration of professional practice required for three out of the four management groups be shortened.

The UW also protested the provision that only top-level civil servants should know foreign languages. They argued that our administration is facing the problem of preparing Poland for joining the EU; therefore, civil servants in the "B" (lower management cadres), and the "S" (specialist) categories should also be required to know foreign languages.

Moreover, the UW demanded the reintroduction of the provision stating that graduates of the National School of Public Administration be automatically classified in the "B" category. The provision had been deleted in the course of the Sejm debate. The party also does not approve of the provision prohibiting civil servants from letting themselves be guided by their religious beliefs out of fear that it might be used to discriminate against state officials. UW deputies stress the only criterion of staffing policies should be the civil servants' professional skills. In his letter, the president suggests the provision be dropped, agreeing with the arguments raised by the UW.

"I agree with the weaknesses of the law pointed out by the UW. The other day I spoke about this with Professor Bronislaw Geremek, chairman of the UW Parliamentary Club," said Kwasniewski in an interview for Radio "Zet" yesterday. "On the other hand, I tried to convince him

that vetoing the law would cause administrative reform to be delayed for another couple of years; thus, we would fail to establish a civil service, which constitutes a fundamental element of a democratic state." He added that as the law is to come into effect on 1 January, he wants all parliamentary clubs to use the time that is left to try and amend it.

UW Spokesman Andrzej Potocki told us yesterday that the draft amendment is to be ready this week. If it is approved by deputies from the remaining parliamentary clubs, the UW would like the Sejm Commission for Administration and Internal Affairs to treat it as its own.

[Directly underneath the above report, GAZETA WYBORCZA carries a 250-word untitled commentary by Chief Editor Adam Michnik. "President Aleksander Kwasniewski has made a fatal mistake by signing the law on the state civil service," Michnik writes. He points out: "This is not the first time individuals who were part of the Polish People's Republic (PRL) have been promoted. Two years ago, under Waldemar Pawlak's government, the criteria for appointing members of the National Investment Funds eliminated those who did not have any management experience from PRL times. One year ago, during Jozef Oleksy's government, the state authorities worked on a draft press law which required chief editors to have 10 years of professional experience. Thus, they had to be PRL reporters. Fortunately, the absurd project was abandoned." Michnik concludes: "I wish to appeal to President Aleksander Kwasniewski to keep his word and do everything possible to amend the unfavorable law on the state civil service. Are citizens of the Polish Republic to be divided into those 'equal' and 'more equal' once again? Our paper frequently protested laws discriminating against the postcommunists when they were a parliamentary minority in the opposition. Citizens of the Polish Republic should enjoy equal rights."]

Poland: Exercise Held With U.S. Special Forces Unit

LD1707131196 Warsaw Polskie Radio First Program
Network in Polish 1005 GMT 17 Jul 96

[FBIS Translated Text] Joint exercises between the Polish [antiterrorist] Grom shock unit and an elite unit of the U.S. Army Special Forces are being held for the first time ever in Poland. The minister of interior affairs, Zbigniew Siemiatkowski, and the U.S. Ambassador to Poland, Nicholas Rey, went this morning to somewhere in western Poland for the maneuvers that are to last several days.

[Correspondent Piotr Bugajski] It is known unofficially that these are the first exercises for the elite American unit beyond the borders of the United States. However, neither the name of the American unit nor the location of the exercises have been made public. Minister Siemiatkowski, who flew to the maneuvers from Warsaw, said that the joint exercises were evidence of the esteem in which the Americans hold the Polish special forces. The Americans, as he put it, arranged for the elite of the elite to take part in these maneuvers. He added that Polish and American special units were integrated to a considerable extent. If our level of integration with NATO were to be measured against the level of cooperation between Polish and American special forces, then one could say we were already in NATO, said the minister. He explained that during the maneuvers the Poles and the Americans would practice various variants of emergency situations which might happen in our part of Europe. This is Piotr Bugajski for the Radio Information Agency.

Poland: Brzezinski Interviewed on NATO Expansion Prospects

WS1807110396 Warsaw GAZETA WYBORCZA
in Polish 8 Jul 96 p 7

[Interview with Zbigniew Brzezinski, former national security adviser to the U.S. President, by Marek Kosakowski and Robert Soltyk; place and date not given: "The Beginning of a Serious Debate"]

[FBIS Translated Text] [GAZETA WYBORCZA] Last Friday [5 July], the U.S. Senate obliged President Clinton to submit a report to Congress by December on the material and political costs of NATO's expansion. Will this not delay a decision to admit new members?

[Brzezinski] I do not think so. In this initiative by the U.S. Congress, I see the beginning of a serious debate on NATO's expansion. Without this debate, Congress cannot ratify any decision on new defense commitments made by the Executive Branch. And this ratification is required according to the U.S. Constitution. I will go even further: this step confirms that the current debate on possible admission of new members, which has been vague and nonbinding, is finally becoming a serious debate at the state level, which confirms that the issue is already becoming topical.

[GAZETA WYBORCZA] Why did both the Democrats and Republicans unanimously vote for the Senate amendment?

[Brzezinski] Because supporters of the expansion view this as a concrete and essential step forward, which is in line with constitutional procedures, and opponents hope

that this report will weaken support for the expansion both in the Congress and among the public.

[GAZETA WYBORCZA] For a long time it was repeated to the point of boredom that nothing essential would happen with regard to the issue of NATO's expansion before the Russian elections. Now, after the elections, can we finally expect something?

[Brzezinski] In this regard, my forecast is very similar to the one that German Defense Minister Volker Ruhe presented in early June. In December, it will be decided to name the candidates at a NATO summit which will be held in the middle of next year, which, in turn, will prompt negotiations with individual states. I personally believe that in case of Poland, these negotiations will not last long—approximately one year. This will have to be followed by ratification by all 16 NATO members. I think that April 1999—that is, the 50th anniversary of the alliance's establishment—can be considered as an achievable goal.

[GAZETA WYBORCZA] During a debate in the U.S. Senate, Senator William Cohen said that "we must ask Americans whether they want to die for Danzig?!" If it comes to voting for the admission of new members to NATO, will there be a two-thirds majority of senators who will agree that it is worth dying for Gdansk?

[Brzezinski] Currently, the same question can be asked with regard to, for example, eastern Anatolia! I think that a majority of wise U.S. senators will understand that the readiness "to die" for Warsaw considerably decreases the possibility of the necessity "to die" for Berlin or eastern Anatolia, according to the current commitments of the United States. A stable and safe Central Europe reduces the chances of new conflicts in Europe.

[GAZETA WYBORCZA] In Poland we have the impression that the issue of admitting states from our region to NATO is to tip the scale during U.S. domestic electoral games. The Republicans are currently more decided with regard to this issue because they think that this will pay off on 4 November. However, if Bob Dole wins (which is so far not augured by polls), will he not return to the cautious policy which is currently being conducted by Clinton, who explains the delay of a decision to admit us to NATO by Russia's resistance?

[Brzezinski] One has to show forbearance toward the cautious U.S. policy toward Russia. Nobody should be interested in new U.S.-Russian conflicts. Russia is a large country with a great potential, and it is in the interests of the United States to maintain good relations with it. Therefore, the United States is exerting efforts so that NATO expansion takes place at the same time as the

expansion of cooperation between NATO and Russia. This requires patience and firm diplomacy. On the one hand, one must convince Russia that the expansion is not aimed against it, but on the other hand, one must convince Russia that it cannot stop the expansion. Perhaps U.S. policy is sometimes too "cautious" in this regard, but it is not in the interests of Poland to advise the United States to conduct a policy which would bring the issue of expansion to a head.

[GAZETA WYBORCZA] What can Poland as well as the Polish lobby in the United States do to prompt a decision by the U.S. Administration which would be favorable to us?

[Brzezinski] It can insist that both presidential candidates commit themselves to present a specific timetable for expansion as clearly as possible (which Dole has already done to a certain degree), but it should avoid anti-Russian accents. It should rather emphasize that the expansion will increase stability in Europe, in which Polish-German reconciliation may bring about a similar Polish-Russian reconciliation.

Poland: Daily Questions Status of Private Arms Dealer

WS1807112796 Warsaw TRYBUNA in Polish
10 Jul 96 pp 1-2

[Article by Zbigniew Wasik: "Who Is the 'Good Uncle?': Arms Trade Privatized"]

[FBIS Translated Text] *At one time, the Ministry of National Defense [MON] bestowed three arms trading companies with special rights. The very fact is amazing in a country that is aspiring to join NATO. In the United States, which serves as a model for the majority of Polish decisionmakers, the sale of nearly every single tank or plane is debated by Congress.*

As far as granting special rights to Cenzin and Pezetel—arms trading companies which had been cooperating with the MON for years—did not surprise anyone, but the fact that the same rights were granted to an obscure private company called NAT, owned by Leszek Cichocki and located in an apartment in Astronomow Street in the Warsaw's Wola district, was an impenetrable riddle. The company has a second office in Naleczowska Street in the Mokotow district.

It is astounding that a firm which is not even a limited liability company, but operates on the basis of a permit to carry out economic activity issued by the District Office, is commissioned to sell military equipment worth \$9.3 million. Since the company was not selected for its legal status or its financial condition, why did the MON select NAT as an arms dealer?

The register at the District Office shows the scope of its activities to be very broad. They even include foreign trade and printing. Not much is known about the company's founding capital. GAZETA WYBORCZA established that NAT has contacts with Arab states and former Soviet republics. It also found that before NAT received special rights from the MON, it had offered to sell military equipment and Russian-made spare parts to the Armed Forces.

NAT brought forth losses. In 1993, for example, the company sustained a loss of some \$100,000 on a deal with a U.S. firm. Somebody had to reimburse these losses, especially as the owner of the company was very well off. Who was Leszek Cichocki's "good uncle?" Despite the sustained losses, he purchased two luxuriously furnished Mercedes cars for the company and became the owner of two houses in Warsaw.

This is the type of company the MON selected to carry out the sales of what was said to be 40, but turned out to be 62, BMP-2 infantry fighter vehicles. Originally the contract was to be worth \$4 million, but it eventually totaled \$9.3 million.

This transaction became widely publicized after military counterintelligence services overheard [Chief of General Staff] General Tadeusz Wilecki and Gromoslaw Czempinski [former head of the Office of State Protection—UOP] discussing it during the infamous talks at the Drawsko testing ground in September 1994. A report presented to Admiral Kolodziejczyk, the defense minister at the time, by Commander Marek Glowacki, the then chief of the Military Information Services [WSI], was one of the last he submitted. Soon afterwards, Koldziejczyk was replaced by Okonski, a man trusted by Walesa. One of Okonski's first moves was to oust Glowacki.

General Czempinski had other contacts with NAT than the BMP-2 sale. His acquaintance with Leszek Cichocki is long-standing. Cichocki confirmed to TRYBUNA reporters that he knew Czempinski personally. He refused to speak about the degree of familiarity, claiming it is rather up to Czempinski to assess it.

The close relationship between the NAT head and Czempinski dates back to the time he began working for the First Department of the Ministry of Internal Affairs. After he had officially left this job, the acquaintance was not broken off. Czempinski is said to have been a frequent visitor to NAT. Cichocki visited Czempinski at his UOP office.

Commenting on the GAZETA WYBORCZA report, Cichocki says that "claims that Gromoslaw Czempinski was in any way involved in the transactions carried out

by NAT are a fable." He also denies that NAT served as a cover-up for the UOP or the WSI.

Poland: Czech Commentator Views Polish-Ukrainian Relations

96CH0135A Prague LIDOVE NOVINY in Czech
28 Jun 96 p 6

[Commentary by Tomas Zahradnicek: "A Challenge From Warsaw"]

[FBIS Translated Text] Poland and Ukraine have concluded a strategic partnership. In the declaration, which was signed in Warsaw on Tuesday by both President Aleksander Kwasniewski and Ukrainian President Leonid Kucma, both countries declared that they consider the independence of their partner to be a fundamental question relating to their own freedom and security. Polish dailies add to this, saying that cooperation with Kiev was very warmly endorsed by the United States, which is said to have applied "unprecedentedly strong pressure" with respect to this matter.

Today Ukraine is a front country because it is precisely here that the conflict between the West and Russia regarding the new political map of East Europe is playing out. Russian nationalists are sounding the alarm—the loss of Ukraine would result in Russia's losing its realistic base for its European policy. The West, and mainly the United States, is supporting Kiev. What an enticing notion it is to possibly find a friendly country the size of France on the new eastern borders of NATO!

Poland has now declared that it will actively participate in the Ukrainian game. The newly found political next-door neighbor of the Czech Republic is thus embarking on an eastern commitment that outstrips the field of positive actions taken by Czech foreign policy. For the present the Czech reaction is one of restraint. It did not escape Warsaw's observers that President Havel was in no way enthused by the fact that Aleksander Kwasniewski invited Leonid Kucma this year to attend the traditional meeting of Central European presidents. Additional Polish moves to achieve broader cooperation with Ukraine are already arousing unconcealed embarrassment among Czech diplomats.

What are the motives behind this Polish policy? Ukraine is Poland's Slovakia, if we raise the barrel slightly so that the projectile might reach the target. It is a country that, apart from a long eastern frontier, is connected to Poland through centuries of neighborly experience and the presence of nationality minorities in both countries. However, these circumstances tend to be more of an obstacle to mutual cooperation if we keep the Czech-Slovak relationship in mind. Kwasniewski's Ukrainian policy is not based on any pro-Ukrainian

feelings among the Polish public or on sentimentality regarding a poorer neighbor. It is based on the needs of the day, which include safeguarding the future eastern borders of NATO, the Polish-Ukraine frontier. Reports regarding the pressure exerted by the United States on Poland tend to indicate that the necessity for this kind of policy is perceived more in Washington than directly in Warsaw.

But Ukraine is a long way from winning. Economic reforms there have barely begun, and the democratic constitution is still in its nascent stages. An unequivocally pro-European orientation in Kiev continues to be an eccentric political conviction; distrust of NATO is deeply rooted among the public. Ukraine is, thus, a place where it is virtually necessary today to test the justification for the protection and dissemination of European values, regarding which Czech political representatives have had so much to say in the last few years.

Instead of traditional caution, it is worthwhile to support the Polish activities and not to publicly wrinkle one's nose over Ukraine, as was done last year by Alexandr Vondra, deputy minister of foreign affairs, in his notorious interview given to RESPEKT. After all, it is quite an interesting challenge—to assist a country of 50 million inhabitants to join Europe and to, thus, move the frontier of Central Europe from the Bug River to the Don River. This project has "a head and a heel" and a decent chance for success.

Poland: Government Accepts Administrative Reform Variants

WS1707142596 Warsaw GAZETA WYBORCZA
in Polish 17 Jul 96 p 4

[Report by "JOL": "Administrative Reform Variants To Be Discussed—With the Powiat or Without"]

[FBIS Translated Text] Two variants of the administrative reform, one providing for powiats and large self-governed voivodships, the other without powiats and the hitherto number of voivodships, were accepted yesterday by the government.

The project provides for two variants of the self-government model:

—First variant: gmina-powiat-large self-governed voivodship. The new voivodship would have its own budget and sources of income (a share in national taxes), it would have the right to pass local laws. The new voivodships would take over part of the current tasks of the present voivodships and the administrative center. They would be responsible for, among other things, regional policies and privatization.

This three-tier model has been provided for in the draft constitution. The Polish Peasant Party [PSL], however, is protesting this option.

—Second variant: no powiats, the hitherto 49 voivodships retained. The PSL supports this concept.

Asked whether the government is indicating which model would be better, Leszek Miller, head of the Office of the Council of Ministers [URM], said: "We do not want to do that to avoid charges that the discussion is fake."

Several weeks ago, however, when the document was adopted by the URM Socioeconomic Committee, URM Undersecretary of State Jozef Winiarski told reporters that the document "modestly suggests that the model providing for the powiats would be more favorable for the state system."

If it were adopted, the authors of the project propose 260 powiats and 12-17 voivodships (Hanna Suchocka's government suggested 320 powiats). The authors maintain, however, that the powiats should be large and strong enough to support themselves.

As Miller told reporters yesterday, the document is to be submitted to—among others—the self-governments and should reach the Sejm around 15 November.

"Perhaps by that time it will include only one variant of the reform, the one that receives greater support."

Poland: Civil Service Law To Be Implemented Speedily

LD1707131696 Warsaw Polskie Radio First Program Network in Polish 1200 GMT 17 Jul 96

[FBIS Translated Text] Leszek Miller, the head of the Council of Ministers' Office [URM], when presenting to journalists the draft program for state decentralization and development of local government, said that public consultations should, among other things, provide an answer to the question whether the present responsibilities and powers of the central government should be taken over by larger provinces or provinces in their present form.

The government also wants to discuss the way parish elders, mayors and city presidents are elected.

Minister Miller also announced a speedy and consistent implementation of the Civil Service Law which had been signed by the president yesterday. The law defines which administration posts are of political nature and which are not.

[Begin Miller recording] The law describes as political posts held by ministers, deputy ministers, provincial governors, and deputy governors. Lower ranking posts

will be defined as civil service ones. By saying this, we are ending the arguments which have arisen around this issue over the years. The main argument concerned the definition of what is and what is not a political post. The law has now resolved this problem. Thanks to this, the discussion is now over. [end recording]

Poland: Poll Shows Coalition Loses Support, Solidarity Gains

WS1707142496 Warsaw SZTANDAR in Polish 17 Jul 96 p 2

[Report by "(ks)", PAP: "Popularity of Solidarity and the ROP Growing; the Coalition Is Losing Support"]

[FBIS Translated Text] An opinion poll carried out by Demoskop shows that in July support for "Solidarity" and Jan Olszewski's Movement for the Reconstruction of Poland [ROP] has grown.

The poll indicates that six groupings—the Democratic Left Alliance [SLD], "Solidarity," the Polish Peasant Party [PSL], the ROP, the Freedom Union [UW] and the Union of Labor [UP]—have more than the obligatory 5 percent parliamentary threshold. In July support for the SLD was 22.4 percent (as compared with 23.2 percent in the previous month), for "Solidarity"—16.5 percent (above 2 percent more than in June), and for the PSL—12.2 percent (a decline by 0.5 percent). Support for the ROP has grown by nearly 4 percent, for the UW—by nearly 2 percent, and for the UP—by 0.5 percent.

The Confederation for an Independent Poland [KPN], the Union for Real Politics [UPR], the Christian-National Union [ZChN], the Non-Party Bloc in Support of Reforms [BBWR] and the "100 Movement" did not exceed the 5 percent of support required to secure seats in the Sejm.

[Box, p 2]

Whom We Would Vote for Today	
	Percent
SLD	22.4
"Solidarity"	16.5
PSL	12.2
ROP	12.0
UW	8.8
UP	6.6
ZChN	3.0

	Percent
UPR	1.9
BBWR	1.3
KPN	1.3

Poland: Public Opinion Research Center To Be Privatized

WS1707142296 Warsaw TRYBUNA in Polish
17 Jul 96 p 3

[Report by "DES": "The Government Has Decided; CBOS To Be Privatized"]

[FBIS Translated Text] During the last session of the Council of Ministers before the summer recess, the government decided that the Public Opinion Research Center [CBOS] is to be transformed into a single proprietorship company of the State Treasury and privatized. Leszek Miller, head of the Office of the Council of Ministers [URM], explained that the decision was made in connection with the reform of the state administration center. Minister L. Miller added that the time has come for the CBOS to begin operating in a competitive market environment.

The Council of Ministers discussed "Major Problems of Decentralizing State Functions and Developing Local Self-Governments"—a document supplementing the project entitled "An Efficient, Friendly, and Safe State." Minister Miller told reporters that variants of suggested solutions will be discussed.

Data submitted by voivodes to the URM indicate that losses sustained as an effect of the recent series of

wind storms approximate 580 billion old zlotys [Zl]. The government is to declare what sum it will allocate for repairing roads, water mains, etc.

The government has earmarked Zl2 million for modernizing a traffic junction in the proximity of the Auschwitz-Birkenau Museum. The modernization will mark the beginning of financing the Auschwitz Project. Municipal authorities, however, must allocate the same amount of money for the purpose from their coffers.

Poland: Deportation Camp for Illegal Immigrants Opened

WS1807115096 Warsaw ZYCIE WARSZAWY
in Polish 18 Jul 96 p 2

[Report by "KACH, EK, JEK" and PAP under the "In Poland" rubric: "Deportation Camp Opened"]

[FBIS Translated Text] The first police-guarded deportation camp for foreigners has been opened in Lesznawola (Radom Voivodship). For the time being, it can house 30 people, but will accommodate 200 in the future. Prosecutors will be able to send all those who refuse to leave Poland to the camp for a maximum of 90 days, where they will wait until all the formalities involved in sending them to their countries of origin are completed. So far, illegal immigrants have been held in ordinary jails. The costs of adapting the buildings were covered by the Ministry of Internal Affairs. The camp will be subordinated to the Radom Police Headquarters. Women and men are to be lodged separately and families together, if possible.

Romania: PDSR Says Budapest Endangering European Stability

AU1707121696 Bucharest Radio Romania Network in Romanian 1000 GMT 17 Jul 96

[FBIS Translated Text] The Press Bureau of the Party of Social Democracy of Romania [PDSR] has been empowered to issue a declaration in connection with the unfolding in Budapest, on 4-5 July 1996, of the conference on Hungary and Hungarians abroad, which concluded with the endorsement of a joint declaration of the Hungarian Government, of the Hungarian parliamentary parties, and the organizations of representatives of the Hungarian minorities in the countries neighboring Hungary.

The PDSR declaration states that, by discussing the strategy to be adopted in political relations between Hungary and the Hungarian communities outside Hungary and formulating a joint viewpoint, the Hungarian Government proceeded to the establishment of direct relations with the citizens of other countries, thus ignoring and disregarding the norms of international law and the minimum requirements for ensuring regional and European stability and security.

The declaration of the PDSR Press Bureau also states that the rights of Romanian state institutions to represent its citizens in international relations are no longer being recognized and this is an act that incites people to contest the authority and legitimacy of some democratic, representative, and sovereign institutions.

Given that the UDMR [Democratic Union of Hungarians in Romania], during its recent congress, defined the Hungarian minority as a Hungarian national community in Romania that constitutes an autonomous community and regards itself as a constituent part of the state, an independent political subject, and thus, an equal partner of the Romanian people, the PDSR believes that the support granted by the Hungarian Government to the achievement of autonomy and self-rule is nothing other than Hungary's interference aimed at turning the Hungarian minority in Romania and in the other countries neighboring Hungary into an independent political entity. The primary and most important consequence of this is the undermining of neighboring countries' territorial integrity by creating Hungarian territorial autonomies. The distance left between this act and revisionism and secession is very short, the PDSR Press Bureau declaration also states.

In fact, at the annual meeting with the Hungarian ambassadors held on 15-16 July, Hungarian Foreign Minister Laszlo Kovacs said that the Hungarian Government wished to support Hungarians abroad principally in working out a uniform concept of autonomy.

The PDSR regards these latest declarations of the Hungarian foreign minister as a new attempt by the Budapest government to control the Hungarian minorities in the neighboring states.

Similarly, the PDSR Press Bureau emphasizes that this political formation notes with concern that, at the meeting of the UDMR Council of Representatives held in Cluj Napoca, the participants proceeded to the virtual implementation of the declaration's provisions, when it expressed its accord with the content of the Budapest declaration, adopted it, and decided to include it in the program of the UDMR's presidential candidate.

Since one of the provisions of the declaration also asks Hungary to grant funds to communities outside its borders, the PDSR Press Bureau concludes that the future electoral campaign of the UDMR and its presidential candidate is being financed by a foreign state, which violates Romanian legislation.

The PDSR expresses its belief that the Hungarian Government will understand Romania's justified concern and will not let itself be drawn into a policy whose consequences it will not be able to control.

Similarly, the PDSR urges the UDMR to give up the policy that its latest decisions proclaim and strive to meet the constitutional norms of Romanian political life.

In conclusion, the declaration issued by the PDSR Press Bureau states that this party is convinced that the political parties in Romania are placing the country's stability and the fundamental values of the Romanian state above dubious circumstantial benefits and are striving to ensure the necessary conditions for our country's modern development through European and euro-atlantic integration.

Romania: UVR Leader Praises Iliescu's Position on 1201

AU1707141396 Bucharest Radio Romania Network in Romanian 1300 GMT 17 Jul 96

[FBIS Translated Text] Romania's President Ion Iliescu received a delegation of the Vatra Romaneasca [Romanian Hearth] Union [UVR] at Cotroceni Palace today. After the meeting, Zeno Opris, the president of this organization, told the press that the talks, which lasted for about three hours, had focused on issues pertaining to Romanian education as well as various regulations, considered insufficient, regarding Romania's Parliament, namely certain legislative priorities. The UVR president said that he particularly valued President Ion Iliescu's firm position on Recommendation 1201 of the Council of Europe. Opris said that President Iliescu's position, that all political forces should now unite to

overcome the difficulties inherent in the transition period, coincided with the UVR's position, which will be included in a message to be addressed to the UVR national conference, scheduled for 20-21 July 1996, our correspondent Cristian Nita reports.

Romania: Defense Minister on Improving Army Discipline

AU1607202996 Bucharest COTIDIANUL
in Romanian 12 Jul 96 p 1

[Article by Gabi Zamora: "The Army Needs Money To Prevent Indiscipline"]

[FBIS Translated Text] Desertions, suicides, and accidents that have occurred recently in the Romanian Army created an unfavorable image about it, and that is why people's trust in the Army might decline. To avoid this, Minister of Defense Gheorghe Tinca held a news conference yesterday, 11 July, at the National Military Circle on the causes that generated such cases and the current state of the Romanian Army. According to a study elaborated by the Ministry of National Defense, the acts of indiscipline are based on human, social, and professional factors and on organizational problems, the latter being strictly a problem of the Army. Thus, 76 percent of the cases that are similar to the cases of Soldier Coltea and Soldier Bucur [who committed suicide] involve conscripts, most of whom have various family problems and failed to solve them before enrolling in the Army.

Due to insufficient resources for the young people's combat training, the officers cannot always fully respect the rules. Those who had abject behavior toward the subordinates were sent to court. In 1995, 819 files of the Ministry of National Defense were transferred to the Prosecuting Magistracy. "In three years we have not succeeded in teaching unit commanders and officers that the use of force causes indiscipline. One aspect of the reform process in the Army refers also to the behavior toward one's subaltern, in which the rights of a person as well as his obligations must be respected," said Gheorghe Tinca.

What is more serious, is the fact that the budget allotment for the Army is not sufficient and this is reflected also in the way the military units are equipped. That is why, it is not possible to expect living conditions in garrisons to improve too soon, although, according to the defense minister, this would be a solution to prevent indiscipline in the Army. The amount of 450 billion lei is needed solely for refurbishing the military units. Another solution would be to improve the situation of medical examination upon recruiting and enrolling in the Army. Unfortunately, there are

only 70 psychologists in the Army; therefore periodic psychological examination cannot be carried out, and there are only 50 sociologists. "The overall activity in the Ministry of National Defense cannot be improved before there is a law on the organization of the Ministry of National Defense. We cannot expect the Army to be perfect in a society where the other institutions are not perfect either," said Mr. Gheorghe Tinca.

Romania: PNL President Says Party To Remain in CDR

AU1607165596 Bucharest JURNALUL NATIONAL
in Romanian 11 Jul 96 p 6

[Interview with Mircea Ionescu Quintus, president of the National Liberal Party, PNL, by Mirela Soare; place and date not given: "We Are and We Will Continue To Remain in the Convention"]

[FBIS Translated Text] [Soare] Mr. President, how could one explain the tendency of political forces to gather in groups? Is it a sign of concern about the electoral threshold or a sign of political maturity?

[Quintus] Were it political maturity, it should have happened earlier, there was enough time for it. But it seems that, suddenly, after the results of the local elections, politicians have become more realistic. This does not necessarily mean maturity, but it means a more lucid assessment of the chances of getting into parliament, and this is not bad. It is much better for the Romanian electorate to be able to choose between several tendencies, between several directions, or alliances that are always dominated by one of the component forces, than between a large number of parties. It would be better if we could talk about political maturity, but I think that this represents the expression of some political forces' concern about the possibility that they might fail to exceed the electoral threshold.

[Soare] The doors of the National Liberal Alliance [ANL] are open. Does the PNL [National Liberal Party] intend to cooperate with the ANL?

[Quintus] [President of the Civic Alliance Party, PAC] Nicolae Manolescu is thinking about enlarging the Alliance and is turning towards certain political parties; we, however, are not included among them. Moreover, he made a point of declaring that, for the time being, he does not intend to pull us, the PNL, out of the convention, into which it brought us. Here I must mention something; namely, that we were not brought into the CDR [Democratic Convention of Romania] by anybody, it was at our own behest. This wish of ours to return to the CDR was facilitated by the PAC. However, the PNL is in the Convention because of the unanimous

decision taken by its standing delegation and because of the desire to repair the serious mistake that was made by the former leadership when it withdraw from the CDR in 1992. If such a proposition will be made to us, however, there can be only be one answer; that we are in the CDR, we have very good relations with the partners in the Convention, and we will stay in the Convention.

Romania: PDAR Leader on Importance of National Center Union

*AU1707151396 Bucharest Radio Romania Network
in Romanian 1300 GMT 17 Jul 96*

[FBIS Translated Text] The National Center Union, which includes the Agrarian Democratic Party of Ro-

mania [PDAR] and the Humanist Party of Romania, represents an important step for these political groups, PDAR President Victor Surdu said at today's weekly meeting with the press.

The goal of this alliance is to achieve the unity of the Romanian political center and find solutions that would combine the liberal options with those of a social nature, Victor Surdu also said.

The agrarian leader also mentioned that cooperation with the PUNR [Romanian National Unity Party] within the National Unity Block has been ended, however, the PDAR still remains open to dialogue with the PUNR.

Slovenia: Kacin To Discuss NATO Enlargement in Spain

AU1607145996 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 16 Jul 96

[FBIS Translated Text] Slovene Defense Minister Jelko Kacin will pay the first working and official visit to Spain today and tomorrow. Among other things, he will also discuss NATO enlargement with his hosts. Marjana Vodopivec reports from Madrid:

[Begin recording] Tomorrow the guest will be received by Spanish Minister Eduardo Serra. Afterward the Slovene delegation will meet with General Suarez, director general for security issues and the top Spanish expert for strategic NATO issues.

Upon his arrival in Madrid this evening, at a dinner at the ambassador's residence, Minister Kacin will meet with another two reputable men—Javier Ruperes, the newly elected president of the parliamentary assembly of the Organization for Security and Cooperation in Europe, and Alejandro Munjos Alonso, president of the defense commission in the Spanish parliament.

Among the anticipated topics of the ministerial meeting, the development of bilateral relations between Slovenia and Spain in the defense sphere will doubtlessly feature, and, of course, the exchange of experiences and views on further integration and NATO expansion to the countries of the central and eastern Europe.

Spain, too, believes that Slovenia, as a candidate for NATO membership and an associate member of the European Union and the Western European Union, has good prospects for this, which reinforces our country's expectation of an imminent formal rapprochement with NATO.

Ultimately, we should also mention the seminar on NATO expansion that ended in El Escorial near Madrid a few days ago. It was pointed out on several occasions during this seminar that only those countries capable of reinforcing democratic developments and resolving all open questions with neighboring countries will be able to join NATO. [end recording]

Slovenia: Kucan, FRY Politician Discuss Normalizing Relations

AU1707163196 Belgrade BETA in Serbo-Croatian 1428 GMT 17 Jul 96

[FBIS Translated Text] Ljubljana, 17 July (BETA)—Slovene President Milan Kucan today received Dusan Mihajlovic, president of New Democracy and president of the Lutra business system, at his request. The two politicians discussed the possibilities of restoring business cooperation between Slovenia and FRY.

Mihajlovic, who is the first FRY politician to pay an official visit to Slovenia, briefed the Slovene president on Belgrade's efforts to consolidate the peace in Bosnia-Herzegovina and throughout the territory of the former Yugoslavia.

At the news conference in the Slovene Chamber of Economics at the end of his visit, which started on Monday, Mihajlovic said that it transpired in the talks with Kucan "that there are no open or unresolved issues in the relations between Slovenia and FRY that would justify the nonexistence of diplomatic relations."

Mihajlovic voiced satisfaction with the talks with the new partner, Studio Marketing from Ljubljana, as well as representatives of the Revoz business system, Petrol, MIP [Pomurka Meat Industry], Mercator, and Fructal. In the talks, Kucan voiced a belief that Slovenia has a clear interest in normalizing relations with Belgrade, that the Serbs and the Slovenes were never in conflict, and that the FRY should not encounter any additional conditions on its way toward Europe, Mihajlovic said.

Mihajlovic assessed that the halt in the bilateral relations occurred after the Slovene side rejected the recognition by Milan Panic's government. "The important thing is that Slovenia recognized the FRY, while other contested issues such as the succession follow a separate procedure. Here, the main problem of each country's percentage of participation in the division of assets and obligations has essentially been resolved. There are only some technical issues left to be resolved," Mihajlovic said.

Asked whether his visit could be seen in connection with his recent talks with Serbian President Slobodan Milosevic, Mihajlovic replied negatively and emphasized that his business visit to Slovenia was exploratory and that his party will champion the earliest possible normalization of relations with Slovenia.

Slovenia: President Kucan Receives Serbian Envoy

LD1707125896 Belgrade TANJUG Domestic Service in Serbo-Croatian 1021 GMT 17 Jul 96

[FBIS Translated Text] Ljubljana, 17 Jul (TANJUG)—President of Slovenia Milan Kucan held talks with Dusan Mihajlovic, chairman of New Democracy [Nova Demokracija-ND], in Ljubljana last night. They discussed initiatives and ways to renew economic cooperation between Slovenia and the Federal Republic of Yugoslavia [FRY].

According to a statement issued by the office of the Slovene president, Mihajlovic informed Kucan about the political and economic situation in Yugoslavia and Belgrade's efforts to strengthen peace in Bosnia-Herzegovina and throughout former Yugoslavia.

Mihajlovic is the first FRY politician to pay an official visit to Slovenia and to meet its president.

Slovenia: Kacin, Hungary's Keleti Sign Air Defense Agreement

AU1707195496 *Ljubljana DNEVNIK in Slovene*
16 Jul 96 p 6

[Unattributed report: "More Flexible Air Border From Now On"]

[FBIS Translated Text] Murska Sobota, 16 July—Slovene and Hungarian Defense Ministers Jelko Kacin and Gyorgy Keleti signed an agreement on military cooperation in the sphere of aviation and air defense in the baroque hall of Murska Sobota Castle yesterday. The agreement is one of the steps on the way to Hungary and Slovenia's entry into NATO. The objective of the agreement is to prevent airspace violations and ensure the safety of the border zone, the cooperation of the Hungarian and Slovene airborne and air defense units, and the safe realization of military flights.

The agreement also envisages mutual information on military flights in the border zone. Military transport aircraft of the Slovene and the Hungarian Army will from now be able to fly in the air space of the other country for reasons of expert cooperation and air transport.

Overflights will not be permitted for aircraft equipped with bombs, rockets, dispersion ammunition, and other lethal arms. The ban will also apply to aircraft carrying radio-electronic, radar, and optical equipment. The only exemption is for transports permitted by the international agreements signed by Slovenia and Hungary. Pursuant to this agreement, the countries will offer mutual assistance to military aircraft in need and crashed aircraft. The agreement should also take care of the assistance in the training of the air defense and airborne units. The countries will share experiences in the realm of the planning and supervision of flights, air space, technical equipment, and security.

The agreement still needs to be ratified by the Slovene and Hungarian parliaments. On the occasion of the signing, Defense Minister Jelko Kacin stated for correspondents that, first, there can be joint military maneuvers and, second, that he and his Hungarian colleague will, from now on, be able to fly to their visits across the Slovene-Hungarian border and no longer have to fly via Austrian air space.

Slovenia: Italy Cancels International Warrant for Arms Dealer

AU1707160096 *Ljubljana DELO in Slovene*
16 Jul 96 p 1

[Report by V.F.: "Roman Interpol Cancels Warrant for N. Oman"]

[FBIS Translated Excerpt] Bled, 15 July—The public liaison office of the Interior Ministry today announced that it received a message from the Roman Interpol on the suspension of the international warrant for Nicholas Oman, after the investigation judge had canceled the warrant for his arrest. However, the warrants for Gorazd Misic and Janez Ravnikar remain in force.

When we called Nicholas Oman, he did not know anything about it yet. He also learned about the warrant from the media and had not seen it. While the usual procedure, elsewhere in the world is that if one is accused of something, the police pay a visit, Oman was proclaimed the number one criminal in Slovenia, but not a single policeman has approached him yet.

Oman also said it was not so bad if Nicholas Oman is being vilified, but it is bad when it involved Slovenia. [passage omitted]

In connection with the allegations of Former Serb Republic Interior Minister Tomo Kovac that he had met with him in Pale on several occasions, at which he offered him counterfeit currency, paintings, arms, and much more, Oman replied that he had really promised a lot, but did not deliver anything. [passage omitted]

Slovenia: National Bank Governors To Meet in Ljubljana Next Week

AU1707191596 *Ljubljana Radio Slovenia Network in Slovene* 1700 GMT 17 Jul 96

[FBIS Translated Text] Three central bank governors, namely, those from Croatia, Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], and Bosnia-Herzegovina today responded to the invitation of the Bank of Slovenia to hold a joint meeting. The representatives of the National Bank of Yugoslavia have not responded yet. This means that the meeting of the central bank governors from the territory of the former Yugoslavia in Slovenia next week will take place.

As Bank of Slovenia Governor France Arhar said today, they will discuss a document by the Bank for International Settlements in Basel and open financial issues between the countries. These are the issues linked to the London and Paris Clubs and the clearing account surplus of the former Bank of Yugoslavia in the former Soviet Union.

Governor Arhar also spoke about the fiscal policy of the Slovene central bank, control over commercial banks, and the future exchange rate policy.

Federal**FRY: Holbrooke Says Talks in Belgrade Will Resume**

LD1707154196 Belgrade TANJUG in English
1514 GMT 17 Jul 96

[FBIS Transcribed Text] Belgrade, July 17 (TANJUG)—Special U.S. envoy Richard Holbrooke said after conferring with President Slobodan Milosevic of Serbia Wednesday that he could not say anything concrete about the talks except that they would resume.

U.S. President Bill Clinton's envoy said the talks were at a sensitive stage and he would return to Belgrade after holding talks in Zagreb Wednesday evening and consulting Washington.

Holbrooke said the U.S. had voiced deep concern over the "non-compliance" of the Bosnian Serbs with the political parts of the Dayton accords.

He said it had been agreed that vice president of the Muslim-Croat Federation in Bosnia-Herzegovina Ejup Ganic visit Belgrade next week, which he noted would enable the opening of serious trade talks between Belgrade and Sarajevo.

Holbrooke said the Belgrade talks had covered possibilities for opening Sarajevo airport to civilian transport and restoring telephone links between Sarajevo and Belgrade.

The U.S. envoy said the implementation of the plan for the regulation of the situation in East Slavonia had also been discussed.

FRY: Foreign Ministry Assails Bosnian Serbs

LD1507172896 Belgrade TANJUG Domestic Service
in Serbo-Croatian 1505 GMT 15 Jul 96

[FBIS Translated Text] Belgrade, 15 Jul (TANJUG)—The Federal Ministry of Foreign Affairs today expressed regret that the [Bosnian] Serb Republic has so far not consented to the appointment of a third member—the chairman— of the international arbitration committee for Brcko.

On this occasion the ministry issued a statement, the full text of which says:

In implementing the Dayton agreement, one of the important steps is the resolution of the dispute over the interethnic boundary line in the Brcko region. According to the Dayton agreement, this dispute should be resolved by international arbitration to which each of the entities appoints its member, while the third is elected by agreement of the arbitrators.

Starting from its role and responsibility in implementing the Dayton agreement, the Federal Republic of Yugoslavia [FRY] has, over the past few weeks on several occasions and in different ways, done everything in its power to see that the Serb Republic and the Muslim-Croat federation reach agreement on the selection of a third arbitrator and thus pave the way for the arbitration process to take place.

In this connection the FRY, in direct contacts with others responsible for the implementation of the Dayton agreement, tried to ensure, and ensured, that the third arbitrator could be selected.

The Serb Republic was to have appointed the third arbitrator—the chairman of the above arbitration committee—by yesterday (14 July).

Unfortunately, the Serb Republic failed to do this, although the name of the third arbitrator was not in dispute. As on numerous past occasions, representatives of the Serb Republic, acting on the basis of false assumptions and evaluations and adopting inflexible views, refused to cooperate, and in this way they have once again demonstrated their complete lack of responsibility for the fate of their people.

On this occasion, and in its desire to inform the public in the FRY and especially in the Serb Republic, the Federal Foreign Ministry expresses its bitterness, great concern, and regret at this inappropriate and—in terms of the interests of the people and citizens of the Serb Republic—extremely damaging action of the Pale leaders.

Although the international community has, in connection with this arbitration, met virtually all—both the justified and the unjustified—demands of the leaders in Pale, the latter, for the umpteenth time and in their familiar way, failed to act in keeping with the letter and spirit of the Dayton agreement, and in keeping with the demands of the moment, the interests of their people, the reputation of the Serb Republic and especially, and above all, the realization of peace in Bosnia-Herzegovina.

This behavior by the leaders of the Serb Republic is not something new but has been repeated since they rejected the Vance-Owen plan, and this behavior now includes what is in effect the rejection of this arbitration. The leaders of the Serb Republic, by behaving and acting in this way, are only allowing the consequences of their actions to pile up. This behavior is in the true sense detrimental to the people and citizens of the Serb Republic and has unforeseeable consequences for peace in the region.

After Dayton, when in Bosnia peace brought the right to citizenship and when the Serb Republic was on the way to becoming fully affirmed, the Pale leadership, constantly and systematically and at crucial moments, put a spoke in the wheels of the overall peace process.

Citizens in the Serb Republic should know this. This is why the latest actions by the Pale leadership should be condemned in the sharpest terms, the statement ends.

FRY: UN Official Concerned About Return of Serbs to Krajina

LD1607195696 Belgrade TANJUG in English
1633 GMT 16 Jul 96

[FBIS Transcribed Text] Belgrade, July 16 (TANJUG)—The return of Serbs to Krajina and other areas of Croatia has not even started yet, and the amnesty law and various declarations have not led to a repatriation of refugees, causing concern at the U.N. Security Council and High Commissioner for Refugees (UNHCR).

This statement was made Tuesday at a press conference in Belgrade by the special UNHCR envoy to the former Yugoslavia Soren Jessen Petersen, who is on a several-day visit to the Federal Republic of Yugoslavia.

Describing this situation as scandalous, Petersen said international community must stop using different yardsticks and advocating the right to return for some while denying it to others.

In Eastern Slavonia, UNHCR is endeavoring in cooperation with the transitional U.N. Administration (UN-TAES) to enable Croats to return, and to ensure at the same time the safety of local Serbs.

The Serb region of Eastern Slavonia, Baranja and western Srem is a territory between FRY and Croatia inhabited by a Serb majority. In line with a November 1995 agreement, the region was placed under a one-year U.N. administration that can be extended by another year.

Noting that after four years of conflict in the former Yugoslavia there were over four million refugees and displaced persons, Petersen said that according to still unofficial figures, FRY was hosting 600,000 of them.

According to recently published unofficial figures, this number includes 30,000 refugees from Bosnia-Herzegovina.

Only 100,000 refugees and displaced persons have returned home so far, but another 90,000 people have been forced to flee meanwhile, Petersen said. Out of the total number of "post-Dayton refugees," 60,000 were

Serbs who fled from Sarajevo suburbs in February and March.

According to UNHCR figures, 25,000 people have so far returned to the formerly Serb Sarajevo suburbs, including about 10,000 Muslims and Croats.

People are fleeing again mainly because groups and individuals who had started the war and initiated ethnic divisions remain in power in Bosnia, and also due to large-scale destruction which makes it impossible to find accommodation for those who wish to return, Petersen said.

Political will of all sides is necessary to overcome separatist aspirations and attempts to continue dividing people, Petersen said and added that the forthcoming elections in Bosnia should bring about radical changes, otherwise the situation cannot improve.

FRY: Late Reopening of Belgrade-Zagreb Railway Due to Security

LD1707210296 Belgrade TANJUG in English
1701 GMT 17 Jul 96

[FBIS Transcribed Text] Belgrade, July 17 (TANJUG)—The railway traffic between the Republic of Croatia and the Federal Republic of Yugoslavia will be re-established in a week or two, the head of the Croatian Bureau in Belgrade Zvonimir Markovic told Belgrade daily PRIVREDNI PREGLED.

The U.N. administrator for Eastern Slavonia General Jacques Klein has extended the deadline for reopening the railway mainly for security reasons, Markovic explained.

Referring to bilateral cooperation, Markovic pointed to a recent agreement between Serbian oil industry Nis and Croatian Jadranski Naftovod (Adriatic pipeline) to the value of 100 million dollars, in line with which ten million tons of crude will be delivered to Yugoslav refineries in Pancevo and Novi Sad in Serbia over the coming three or four years.

About 800,000 tons of crude are expected to be carried by the Adriatic pipeline to the Serbian refineries by the end of this year.

FRY: Preelection Political Alignments Analyzed

AU1807111796 Belgrade BETA in English
11-17 Jul 96

[FBIS Transcribed Text]

The Political Scene on Eve of Federal Elections

New Coalitions in Sight—Opposition Might Unite

In preparations for federal parliamentary elections expected at the end of the year the political parties are testing the terrain for possible alliances, especially after the ruling parties changed the rules for federal elections and returned the majority system which forces the political parties into large blocks if they want to win parliamentary seats.

The newest initiative on the opposition scene was launched by the leader of the People's Party of Montenegro Novak Kilibarda who proposed the establishment of a democratic front at the federal level. At a press conference in Belgrade Kilibarda called on the opposition parties with a democratic orientation from both of the Yugoslav republics to run in the forthcoming elections together, united, because that is "the only way to remove the ruling oligarchies from power."

That is the first initiative for a union of democratic political parties at the federal level since the multiparty system was introduced six years ago.

Kilibarda's invitation was excepted by four parties in Serbia—the Serbian Renewal Movement [SPÖ], the Democratic Party [DS], the Civic Alliance of Serbia [GSS], three parties already in a coalition called "Zajedno" (Together), but also by the Democratic Party of Serbia [DSS], which is still considering its election strategy.

The invitation was also excepted by the Social Democratic Party of Montenegro. The leaders of those parties will meet on Friday July 19 in Podgorica to define a possible common strategy. GSS leader Vesna Pesic suggested that the Liberal Alliance of Montenegro also join the alliance, but the problem with that party arises from the fact that it doesn't recognize the FRY and is asking for an independent Montenegro.

The extremely nationalist Serbian Radical Party [SRS] of Vojislav Seselj, one of the strongest parties in Serbia with a large number of seats in the federal parliament ever since the first multiparty elections, wasn't invited to join the new democratic front.

At present it seems that the SRS will most probably run in the elections by itself, although it is too early for predictions as election calculations are still under way in all of the political parties.

Because of the change in the electoral law an alliance of opposition parties is a must because the increase in the number of electoral units has raised the census. Since all the opposition parties are dominated by, and identified by their leaders and not by their programs they

haven't up to now been able to overcome the personal animosities, vanities and ambitions of their leaders in favor of rational political interests. The newest initiative of the Montenegrin opposition leader will therefore be a new test of the ability of the Serbian and Montenegrin opposition to resolve such problems.

The ruling parties in both republics, the Socialist Party of Serbia [SPS] and the Democratic Party of Socialists [DPS] of Montenegro are well under way with their election campaigns, despite the fact that they haven't scheduled the elections yet. Because of the tight control they exercise over the media, primarily the television, the SPS, the strongest political force in the country, and the DPS, are at an advantage which they abundantly use for everyday praise of their achievements in the state controlled media.

A leading member of the SPS, one of the authors of the FRY constitution and president of the constitutional committee of the federal parliament Ratko Markovic told BETA News Agency that the date of the elections will be announced "like thunder from clear skies." He said the elections would be held at the earliest 60 days before the expiration of the mandate of the present legislature.

His statement is in line with claims coming from the United Left (JUL) that the elections will be held this coming fall. A source in that party, who insisted on anonymity, said recently that the federal elections will be held "November" if all goes well in Bosnia."

The change in the electoral rules for federal elections compels the ruling parties also to consider entering alliances since their desire is to retain a vast majority in the federal legislature and if possible to win a two thirds majority required for constitutional changes. The SPS could then alter the constitutional provisions regarding the head of state, now a purely representative function, so that the president of Serbia Slobodan Milosevic can be elected to that highest post.

The SPS has not officially announced the intention to enter into any kind of coalition but it promotes the "unity of left forces." There is general expectation that the SPS will run the elections in a coalition with the small, extraparlimentary but very powerful JUL in fact lead by the wife of Slobodan Milosevic, Mirjana Markovic, and with the New Democracy [ND] which is already a coalition partner in the government of Serbia.

The leader of the ND Dusan Mihajlovic had talks with Milosevic on Thursday, July 11, and complained about the attitude of part of the SPS towards the ND. Mihajlovic offered an election coalition.

According to BETA's sources, Mihajlovic told Milosevic that the ND desires to be "the third party" in power and influence after the SPS and JUL. He told Milosevic that only in that combination can he insure a two-thirds majority in the federal legislature. According to the same sources, Milosevic gave the green light for the preparation of such an alliance.

Sources from within the ND claim that Mihajlovic offered to mediate with the national minorities, mainly the Kosovo Albanians and the Vojvodina Hungarians, and the offer was, allegedly, well received. The ND has been pushing for wide autonomy for the two largest ethnic minorities, and Milosevic said that he fully supports its stand.

After his one hour long meeting with Milosevic, the leader of the ND was mentioned in the media as a member of an alleged team for negotiations with the Kosovo Albanians. The meeting also brought back the publicity the ND once had. Mihajlovic gave a long interview to the state controlled Television Serbia, right after the prime time news. In the next few days he publicly hailed the "wise and courageous policy of Slobodan Milosevic and the leadership of the FRY" and accused the opposition for "violence and primitivism."

On Wednesday, July 17, Mihajlovic visited Slovenia where he met with the president Milan Kucan as the first politician from the FRY to be officially received in Ljubljana.

The interest to stay in power reunites the SPS and the DPS of Montenegro, so the relations between the two parties, which have come into question many times, appear harmonious again. The ruling party in Montenegro is presently trying to change the electoral rules in its favor as republic parliamentary elections will be held there at the end the year.

Parliamentary elections in Serbia are due next year, because Milosevic dissolved the parliament in 1993 so the mandate of the present legislature expires in 1997.

Serbia

Serbia: Karadzic Reportedly Prevented From Visiting Mother

AU1707153396 Paris AFP in English
1421 GMT 17 Jul 96

[FBIS Transcribed Text] Belgrade, July 17 (AFP)—Bosnian Serb "president" Radovan Karadzic has been prevented from entering the former Yugoslav republic of Montenegro to visit his mother, Belgrade media reported Wednesday.

Karadzic, who is wanted by the International Criminal Tribunal for former Yugoslavia for war crimes, has

"tried several times in the past six weeks to enter Montenegro to visit his mother, but each time was refused," MONTENAFAX news agency reported, quoted in the Belgrade press.

NATO sources in Brussels told AFP they had also heard reports that Karadzic had been prevented from entering Montenegro recently. The exact details of the claims remained vague however and independent confirmation was unavailable.

Karadzic was born in 1944 in Montenegro, the former Yugoslav republic southeast of Bosnia and still allied to its more powerful neighbour Serbia, before moving to Sarajevo as a young man.

Many members of his family, including his ageing mother, still live in Montenegro, in a village near the town of Niksic.

Montenegro initially supported the Bosnian Serb war effort, but late last month both Montegrin President Momir Bulatovic and Serbian President Slobodan Milosevic declared Karadzic persona non grata in their republics.

He had often in the past been allowed to enter Montenegro to see members of his family there, including his mother.

The war crimes tribunal in The Hague earlier July issued an international arrest warrant for Karadzic and his army commander Ratko Mladic, obliging all UN member countries to arrest the pair if they see them.

Serbia: Sandzak Bosniaks Call Talks With Lilic 'Encouraging'

AU1707143396 Sarajevo Radio Bosnia-Herzegovina
Network in Serbo-Croatian 1300 GMT 17 Jul 96

[FBIS Translated Text] Prompted by talks held in Belgrade on 15 July between representatives of the Sandzak and Montenegro Party of Democratic Action, the Sandzak Reformist Party, the Sandzak Liberal Bosniak Organization, members of the Muslim National Council of Sandzak, and Federal Republic of Yugoslavia [FRY] President Zoran Lilic, the Secretariat of the Muslim National Council of Sandzak has issued a statement for the public which reads as follows:

The four Sandzak political organizations on 1 July wrote to FRY President Zoran Lilic and requested a meeting at which the current situation in Sandzak would be discussed. During the hour-long meeting the delegation of Muslim Bosniak parties from Sandzak, the legitimate representatives of the Bosniak people, acquainted Lilic with the current situation in Sandzak, with particular stress on the unresolved political and legal status of

the region, and the abuse of Bosniaks' human rights, particularly in Priboj and Pljevlja.

President Lilic agreed that all political factors in the FRY have an obligation to contribute to the maximum degree possible to peace and stability in the region. He asked Sandzak party representatives to supply evidence for the claims they had made during the talks. It was agreed that further negotiations would follow and that dialogue, political wisdom, and compromise would enable the solving of all problems to everyone's satisfaction and would benefit all FRY citizens. The representatives of Sandzak political parties assessed the talks as an encouraging gesture by the current leadership.

Serbia: Belgrade Raises Travel Tax To Leave Country

AU1707152496 Paris AFP in English
1413 GMT 17 Jul 96

[FBIS Transcribed Text] Belgrade, July 17 (AFP)—Yugoslavia will place a damper on its citizens' holiday plans by charging them more to leave the country starting July 21, newspapers here reported Wednesday.

Residents of Serbia and Montenegro, which comprise the rump Yugoslavia, will pay 100 dinars (20 dollars) compared to 60 dinars (12 dollars) to travel abroad. Those travelling by car will pay an additional 200 dinars (40 dollars).

The increase comes at the peak of the holiday season, with Greece a popular destination ever since war broke out in the former Yugoslavia in 1991.

The tax increase could encourage many Serbians to take their holidays in the small republic of Montenegro, boycotted by foreign tourists for several years because of the war and UN sanctions.

Authorities here introduced the tax in 1992 to "put the brakes on the flow of the country's resources abroad."

A similar measure had been in place since the 1980s.

Serbia: Serb Red Cross Official on Humanitarian Situation

LD1707195296 Belgrade TANJUG in English
1807 GMT 17 Jul 96

["Pool" item]

[FBIS Transcribed Text] Trsic, July 17 (TANJUG)—Serbian Red Cross President Dr. Slobodanka Gruden said Wednesday that the humanitarian situation in the Republic was very difficult as international humanitarian aid was drastically reduced and the economy and the population were exhausted after the long period under sanctions.

Visiting the Red Cross summer school in Trsic, western Serbia, Gruden said that the present humanitarian situation was the most difficult so far despite the ending of the war and the suspension of anti-Yugoslav sanctions.

She explained that international humanitarian aid now covered less than 15 percent of the needs. Yugoslavia is hosting over 700,000 refugees and displaced persons according to latest figures, and about 500,000 people among its own population are living in poverty, she noted.

Serbia: Opposition Parties To Discuss Electoral Bloc 19 Jul

AU1707164996 Belgrade BETA in Serbo-Croatian
1327 GMT 17 Jul 96

[FBIS Translated Text] Belgrade, 17 July (BETA)—The presidents of the four Serbian opposition parties to which Novak Kilibarda, president of the People's Party of Montenegro, proposed the formation of a democratic electoral bloc will participate in the meeting of the opposition parties, the BETA agency learned from these parties today.

At the 19 July meeting in Podgorica, the Serbian Renewal Movement (SPO) will be represented by Vuk Draskovic; the Democratic Party (DS) by Zoran Djindjic; the Civic Alliance of Serbia (GSS) by Vesna Pesic; and the Democratic Party of Serbia (DSS) most probably by Vojislav Kostunica. If the DSS leader is otherwise engaged, Vice President Vladan Batic stand in.

In Belgrade yesterday, Kilibarda called on the democratic opposition in the FRY to create a wide bloc of democratic powers to run jointly in the elections.

Invitations were issued to the SPO, the DS, the DSS, the GSS, and the Social Democratic Party of Montenegro, but Kilibarda said the bloc is open to all nonparliamentary parties of democratic credibility.

Serbia: PM Calls Agriculture 'Key' to Stabilization

LD1707200396 Belgrade TANJUG in English
1755 GMT 17 Jul 96

[FBIS Transcribed Text] Belgrade, July 16 (TANJUG)—The agriculture shouldered the heaviest burden during the implementation of the U.N. sanctions and has nevertheless been a key factor of the stabilization in the period behind us, Serbia's Premier Mirko Marjanovic has said.

Marjanovic said in an interview in the latest issue of the Belgrade agricultural magazine SELO that the strategy and long-term policy of agricultural development were key elements for the defining of Serbia's long-term development policy.

He said agricultural producers had favourably received the introduction of the agricultural budget, which is to resolve the problem of the agriculture's financing without credits from the central bank.

Marjanovic told the periodical that about 2,000 projects of the revitalization of the rural sector had been completed in the past four years.

He said about 60 million German marks in bank credits had been added to about 30 million marks in new investments in the revitalization of the rural sector, with a view to changing the structure of agricultural production.

Serbia's prime minister specified that the aim was to stimulate higher stages of processing, better and more lucrative programmes, including in the service sector.

Marjanovic said a document laying out a strategy of agriculture's long-term development and agricultural policy, to be submitted to the Serbian legislature this year, was of far reaching importance for the republic's overall development.

Serbia: Marjanovic, Businessman Discuss Joint Oil Project

LD1707231496 Belgrade TANJUG in English
2252 GMT 17 Jul 96

[FBIS Transcribed Text] Belgrade, July 17 (TANJUG)—Serbian Premier Mirko Marjanovic met in Belgrade on Wednesday with Kemal Zaynel Zade, owner of the international IMEG Company, and discussed the possibility of joint prospecting and drilling for oil.

Zade said he was extremely interested in co-financing joint ventures in oil prospecting and drilling in this Yugoslav republic and abroad.

He also showed an interest in building a secondary pipeline network through the Federal Republic of Yugoslavia, in the petrochemical industry, and in investing in agriculture and the manufacture of agricultural machinery.

Zade said he was ready to give credits or enter into other kinds of joint venture with Yugoslav firms, stressing he had not come to make only a formal offer of cooperation, but to negotiate and then implement concrete deals.

Marjanovic, for his part, said that the Serbian government supported all projects based on foreign investment that would stimulate the revival of business activity and yield profit to all parties.

In line with this, the government will carefully study IMEG's proposals and support those that have sure prospects on the world market, he added.

Montenegro

Montenegro: Ministry Denies Report on Arms Smuggling in Italy

LD1707175796 Belgrade FONET in Serbo-Croatian
1358 GMT 17 Jul 96

[FBIS Translated Text] Podgorica, 17 Jul (FONET)—The Montenegrin Ministry of Internal Affairs has denied a report that has been repeatedly broadcast over the past two days quoting REUTER news agency, regarding the alleged seizure of weapons near the Italian town of Brindisi, which the REUTER report says were smuggled from Montenegro, MONTENA FAX announced today.

The same report claims that cigarettes and narcotics were being smuggled from Montenegro to Italy, the Podgorica agency goes on to say.

"The Montenegrin Ministry of Internal Affairs has no such information," the denial goes on to say, stressing that "all checks being carried out within its competence rule out the possibility of such smuggling."

"It is evident that this amounts to misinformation which inflicts huge damage on the Montenegrin Ministry of Internal Affairs and on all other state bodies."

Montenegro: Helsinki Committee Blames Serbia for 'Murders'

AU1707175196 Belgrade NASA BORBA
in Serbo-Croatian 13-14 Jul 96 p 2

[Report by S.B. and V.S.: "Bukovica Under Military Occupation"]

[FBIS Translated Text] Belgrade—I blame state policy and the Serbian state's intentions, Sefko Alomerovic, president of the Sandzak Helsinki Committee for Human Rights, said at yesterday's news conference when asked who was to blame for the suffering of Muslims in Pljevlja Municipality in the Bukovica region.

It is precisely the events in Sandzak and in Bukovica that are described in high school and college textbooks and also in statements by Dobrica Cosic. At one point, Cosic said that a 30-km belt around the state border had to be cleared of Muslims, while the executor of this policy, Vojislav Seselj, was more direct, Alomerovic said after presenting details of murders, robbery, and expulsions in the Bukovica region. The army was also active in these raids, sometimes on its own initiative and organized in early morning troikas, and sometimes

under the banner of mutual intentions. [sentence as published]

Robbery was one of the key motives of soldiers who practiced torture and intimidation on the citizens in the period from April to December 1992, the president of the Novi Pazar Helsinki Committee said. In this period, the majority of the population left Bukovica. The Helsinki Committee mentioned six murders and several abductions as the more serious reasons that promoted fear. At the beginning of the intimidation campaign, livestock was "bought" from those preparing to leave for an unreasonably low price; for example, a sheep could be bought for 20 German marks [DM], while the usual price is around DM120, Sefko Alomerovic said.

Husein Pelidija, a member of the Sandzak Helsinki Committee, recalled several statements made by politicians from the region, that the reason for such events was the close proximity of the front, even those events that happened before the war in neighboring Bosnia-Herzegovina. He pointed out that these were no longer individual cases of human rights abuse, but human rights violations on a mass scale. Sefko Alomerovic added:

The authorities and the army occupied Bukovica back in 1992, and it is still under occupation. People still cannot return safely, which speaks about the true intentions of the authorities, Alomerovic said and presented details of such cases. He added that the policy of repression toward the Bukovica population was generally "relaxed" before every international meeting.

The Helsinki Committee wrote to Montenegrin President Momir Bulatovic, the Montenegrin Government, and international human rights organizations, but, Alomerovic said, the Montenegrin state can do nothing without Serbia's cooperation.

Montenegro: Assembly Adopts Changes to Election Law

LD1807111896 Belgrade TANJUG Domestic Service in Serbo-Croatian 0028 GMT 18 Jul 96

[FBIS Translated Excerpt] Podgorica, 18 Jul (TANJUG)—The Montenegrin Assembly late last night adopted changes to the law on the election of deputies, according to which Montenegro will be divided into 14 electoral units for the upcoming November elections and the proportional system of voting will be retained.

An explanation of the draft changes to the law, submitted by the deputies of the ruling Democratic Party of Socialists [DPS], says that they give more consideration

to the territorial and political characteristics of the Republic of Montenegro, facilitate direct contacts between voters and their deputies, and improve the representation of ethnic minority groups in the new parliament. [passage omitted: roundup of discussion preceding vote]

The change to the law on elections was voted for by 45 DPS deputies, while five deputies of the Serbian Radical Party of Montenegro voted against.

Prior to the concluding address by the DPS deputies and the voting itself, deputies of three opposition parties—the People's Party, the Liberal Alliance, and the Social Democratic Party—walked out of the republican parliament in protest against the increase in the number of electoral units, saying that "in the given circumstances there is no point in participating any further in the work of the parliament." [passage omitted]

Montenegro: Djukanovic Says Third of Foreign Debt Paid Off

AU1807093596 Belgrade NASA BORBA in Serbo-Croatian 17 Jul 96 p 1

[MONTENA-FAKS report: "Djukanovic: Montenegrin Government Creates Foreign Currency Out of Thin Air!"]

[FBIS Translated Text] Podgorica—"The Montenegrin Government has created money out of thin air and paid off one third of the overall Montenegrin foreign debt, that is, an amount of \$170 million," Montenegrin Prime Minister Milo Djukanovic said two nights ago at a seminar of the Democratic Party of Socialists in Golubovci, the regional center of Zeta. He added that "Montenegro today owes \$340 million, a debt that the economy can handle relatively easily."

"It is true that this government has formed a foreign currency reserve as a security measure for this republic," Djukanovic said, and explained that this was the result of the fact that "for a very long time Montenegro lived with the complex that it unconditionally depended on someone on the outside—depended on someone for the foreign currency, for the dinars, for everything."

"We have definitely cured that complex: In the hardest of times we managed to create foreign currency reserves, which enabled us to solve all economic problems easily, to balance the budget, and to show that Montenegro today is not in a federation because it has to be, but because it wants to be, because it is our choice, and we want to build a joint state," the Montenegrin prime minister said.

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